

**AN ALTERNATIVE PRIVATE SECTOR INVESTMENT APPROACH TO ACHIEVE INDEPENDENCE  
AND RESILIENCE IN KWAZULU NATAL**

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## **ABSTRACT**

Local and foreign aid and investment has been ploughed into Africa for many years with an intended purpose of eradicating poverty. Despite significant capital inputs, certain parts of Africa continue to suffer from symptoms of poverty evidenced by inequality, hunger and social decay. This study evaluated an alternative approach to investing in poverty eradication, examine the quality of life and economic impacts of family units in Kwazulu Natal, South Africa.

The study employed the exploratory sequential mixed methods research approach on a sample of seven cases across four sectors. The results of the qualitative analysis identify the Inputs, Activities, Outputs, Outcomes, Measurement and Impact. The results of the quantitative analysis show that in every family unit, their poverty status reduced over the 12-month measurement period. Further analysis on specific aspects of the family's poverty status are discussed, including consumer spending and debt ratios. The findings show significantly positive over the investment period. Income increased, savings increased, monthly spending power increased, and monthly debt obligations decreased.

Recommended studies for further findings are required to determine long-term impact as the investment period for the cases studies was only 12 months. Further study is also required on the internal motivation of each human involved that propels them to escape poverty at different rates using the resources available within their ecosystem. Further research on cases that use differing investment approaches is recommended in order to compare results under each research objective.

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## **GLOSSARY OF TERMS**

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<b>DSD</b>	– Department of Social Development
<b>ABCD</b>	– Asset Based Community Development
<b>TOC</b>	– Theory of Change
<b>B-BBEE</b>	– Broad-Based Black Economic Empowerment
<b>RCOGP</b>	– Revised Codes of Good Practice
<b>MDGs</b>	– Millenium Development Goals
<b>SDGs</b>	– Sustainable Development Goals
<b>PSSA</b>	– Poverty Stoplight South Africa
<b>CSI</b>	– Corporate Social Investment
<b>CSR</b>	– Corporate Social Responsibility
<b>CSV</b>	– Creating Shared Value

## CHAPTER 1: INTRODUCTION

---

### 1.1 BACKGROUND OF THE STUDY

Two quotes from the acclaimed Dr. Prahalad set the scene for this study.

*“Companies will be forced to transform their understanding of scale, from a “bigger is better” ideal to an ideal of highly distributed small-scale operations married to world-scale capabilities.” (Prahalad & Hart, 2002)*

and

*“Choice is where dignity starts. The world will only change when we view truly low income individuals as full participants in their local economies and communities, as producers and consumers, rather than as passive recipients of charity” (Prahalad & Hart, 2002)*

Since the 1940's, the effects of foreign aid has been the topic of many a debate. There are a number of opinions on the effectiveness of foreign aid, one of which is that it has created dependency and fueled corruption (Edwards, 2014). Where aid has had a positive impact, the view is that this has only happened in countries where effective policy and reforms, healthy institutional environments and political and economic stability exist (Ugwuanyi, Ezeaku, & Ibe, 2018). Unfortunately, these characteristics are not common in many developing countries evidenced by citizens still trapped in poverty.

In 2011, Porter and Kramer articulated the Creating Shared Value concept, believe that companies have been pitted against society, when they should be seen as interdependent. Companies continue to see corporate social responsibility as a by-product of doing business rather than as a strategic way to do business (Porter & Kramer, 2011).

Public sector, private sector, and international funders inject vast sums of development capital and other resources into low-income areas of Africa, with the expectation that poverty

levels will drop as a direct result (Jackley, 2010). In fact, Dr. Maliha Chishti shows that for every \$1 of aid, developed countries receive a return of \$7 to \$10 dollars in debt repayments. Chishti even goes as far as to question if poor countries are subsidizing rich countries (Chishti, 2016). Could Chishti's show that the forms of development aid that have been used over the years, in fact be the cause of poverty in developing countries? This question could be a research topic in itself. Zooming in on a micro-economic level in South Africa, the general feeling amongst development finance practitioners is that the intended beneficiaries are not progressing out of poverty at a rate consistent with the amount invested into poverty eradication. Whether this is evidenced or not, the extreme poverty level in KZN begs the question: Is the approach to poverty eradication by the private sector and non-governmental organisations solving or perpetuating the problem in this province?

Private sector investment in development is currently controversial topic due to the increasing difficulty of achieving compliance with the Broad-Based Black Economic Empowerment Codes of Good Practice (Steyn, 2015). The codes seek to create meaningful economic inclusion of previously disadvantaged individuals through a company's supply chain, employment equity, and in the external stakeholder environment (MAZARS, n.d.). Significant points are awarded when a company supports SMME's, female entrepreneurs and enterprises that benefit marginalized and vulnerable individuals (Department of Trade & Industry, 2013). The spirit in which the codes have been written appear to have the correct intentions, therefore from face value these codes should be the catalyst of change South Africa needs. The divide between the intention of the codes versus implementation of the codes requires research beyond this study.

Oxfam states that World trade has the ability to eradicate poverty (Oxfam, 2002). The principles put forward by Oxfam could be applied to the power that private enterprise within South Africa has. Companies, of all sizes, are prominent assets within community. They provide employment which boosts local economies through consumer spending. Demand for consumer goods is directly related to the number of people receiving steady income and therefore the number of people who have discretionary spending. Sustainable income through salaries and wages provided by medium to large businesses also boosts consumer confidence. Consumer confidence results in increased discretionary spending (Maverick,

2019). Furthermore, businesses attract trade activity and foster economic growth through the value chain. Through procuring and supplying product, the private sector could hold a pivotal role in changing the socio-economic landscape surrounding operational areas simply through their approach to business regardless of any focused contributions to local non-governmental organisations (Browne & Nuttali, 2013).

This study evaluates development projects, both in peri-urban and rural communities, to assess changes in economic activity and human capital as a result of private sector investment and approach to business. From the researcher's experience, some welfare and development practitioners have been known to prescribe 1) what a disadvantaged individual looks like in the context of a western ideal and 2) what a disadvantaged individual wants - without the participants input. The international standard of poverty categorizes a family that is in possession of less than \$1 a day, as impoverished (UNESCO, 2017). However, poverty is multidimensional (Poverty Stoplight SA, 2015) and so understanding poverty through the lens of the individual defined as impoverished per the international standard of poverty, in a multidimensional manner, is prudent before forging on with interventions that are expecting to change that person's life. More importantly, the beneficiaries themselves need to identify what is keeping them in poverty. When the beneficiary has embraced, accepted and committed to truly escape poverty, they will self-organize to do this using resources made available in their ecosystem (Poverty Stoplight SA, 2015).

For the purpose of this study, the investment approach that is common to all case studies uses tenets of the Asset Based Community Development approach (Coady International Institute, 2013). These tenets are explained further in the literature review. The approach focuses on building independence through enterprising activities and income generating assets, rather than traditional charitable giving with little regard given to financial sustainability (McCall, 2018). The intent of this study is to find out if the outcome from this type of development investment is effective in eradicating poverty within the family units evaluated.

## 1.2 PROBLEM DEFINITION

In 2015 Kwazulu Natal's premier, Senzo Mchunu, shared that phase one of the province's poverty diagnostic confirmed approximately three million people living in poverty in Kwazulu Natal (Teke, 2015). For years, these individuals have been grant dependent but are no closer to freedom from inequality and poverty. Six out of ten of the country's poorest districts are in KZN. As at 2015, KZN's poverty level was at 45.1%, almost half of the province's population (Teke, 2015). This study seeks to evaluate the impact on poverty in family units where the form of private sector development used has been asset-based investment.

Dr. Prahalad's states that "effective investment that lifts people out of poverty and desperation will avert social decay, political chaos and environmental meltdown" (Prahalad & Hart, 2002). Outside of the numerous sources that state that being a good corporate citizen makes business sense, there are a number of social wellbeing incentives and compliance-based targets to which business, both privately and publicly held, need to adhere. The Income Tax Act allows for tax deductions to companies who have donated to enterprise development, socio-economic development and welfare organisations. The maximum tax deductions allowable is 10% of a company's net profit after tax (SARS, 2007). Similarly, in order to be compliant with the B-BBEE Codes of Good Practice, companies must invest in areas of skills development, enterprise and supplier development and socio-economic development. The amounts are determined as percentages of Net Profit After Tax and value of payroll (Department of Trade & Industry, 2013).

The value of Corporate Social Investment spend incentivized by the South African Revenue Service and the Department of Trade and Industry amounted to approximately R9.7 Billion in 2018 (Trialogue, 2018) This is a large sum of money that, where used effectively, could significantly change the landscape of poverty in South Africa.

This study seeks to show both the return on investment from a variety of structured development spends as well as the impact these investments have made on reducing poverty and catalysing local economic activity. The period studied is 01 June 2017 to March 31 2019. The objective of the study is to produce findings that could assist in changing development

methods used by the private sector to achieve returns on investment that benefit both the business and the overall wellbeing of South Africa.

The form of investment that has been chosen for evaluation is one that invests in productive assets and economic inclusion of previously disadvantaged individuals in under-served communities of Kwazulu-Natal, South Africa. In all cases studied, the assets invested in are capital expenditure items and capacity-building in order for each business to generate an income. This type of investment approach is called *asset-based* for the purpose of this study.

### 1.3 STATEMENT OF RESEARCH OBJECTIVES AND QUESTIONS

The research questions and the corresponding objectives of the study include;

#### RESEARCH OBJECTIVE 1:

To understand the investment approaches used in the sustainable development projects

#### RESEARCH QUESTION 1:

What are the investment approaches used in the sustainable development projects?

#### RESEARCH OBJECTIVE 2:

Examine the quality of life impact over the investment period

#### RESEARCH QUESTION 2:

Have the investments resulted in a reduced poverty scorecard per family unit within a year of the investment?

#### RESEARCH OBJECTIVE 3:

Examine the economic impact over the investment period

#### RESEARCH QUESTION 3:

Have the investments resulted in a broader benefit to the local economy as a whole?

The difference between Research Objective 2 versus Objective 3 is that economic impact measures changes in money flows over the investment period. Objective 2 measures the overall change in the family unit's circumstances using 50 quantitative and qualitative indicators. The economic impact of Research 3 may impact a maximum of 6 out of the 50

indicators related to multi-dimensional poverty. The family units decision making and spending priorities determine whether an increase in income results in a positive outcome in the 6 economic related indicators, or if they remain the same or become worse.

#### 1.4 JUSTIFICATION OF THE STUDY

This topic has been chosen because limited research and evidence is available on successful development methods that have been used in Kwazulu-Natal. The study is relevant because the Broad-Based Black Economic Empowerment Act (B-BBEE) exists in South Africa which is one of the primary pieces of legislation that unlocks investment in social and economic interventions aimed at poverty eradication. This piece of legislation encourages companies to think differently about how it invests in development and beyond charitable giving.

The Revised Codes of Good Practice (RCOGP) inform the required outcomes of the B-BBEE Act, but the implementation thereof is carried out by each organization itself and is not prescribed. Many companies have had to integrate B-BBEE into the strategic objectives of their company in order to achieve the desired rating required to conduct business activities in SA. Unfortunately, many companies have approached the RCOGP as a tax to redistribute wealth rather than as a tool to increase SA's total economic pool and as a tool to improve societal challenges in the country (Fin24, 2016).

The implementation of B-BBEE related investments is therefore fundamental to reaping the rewards of a shared value approach (Porter & Kramer, 2011). The results of this research may be used to recommend forms of investment and implementation thereof, that have a proven result of creating independence, resilience and shared value in communities with intent to eradicate poverty forever.

Companies could use the results of the research to persuade the Department of Trade and Industry to revise the Codes of Good Practice again in order to aggressively promote CSV instead of wealth redistribution. Porter and Kramer are clear in their message that *"CSR can be much more than a cost, a constraint, or a charitable deed – it can be a source of opportunity, innovation, and competitive advantage"* (Porter & Kramer, 2006).

## 1.5 ORGANIZATION OF THE STUDY

Chapter Two presents the literature review of journals, books and case studies presented by prominent individuals and organizations in the development sector. Key concepts are defined and summarized in the form of a conceptual framework at the end of the literature review. The conceptual framework could be used by organisations to craft their investments to enhance the results of those found herein, should they yield some positive results. Similar investments to those studied are presented to assist the researcher to identify themes and develop the qualitative interview questions and quantitative questionnaire. The literature review also presents opinions by prominent figures in the development sector of gaps in existing investment approaches, that will help the researcher identify similar gaps in the cases studied.

Chapter Three takes the applicable tools identified in the literature review and uses them to develop the research approach and accompanying measurement instruments required to test the research hypotheses. The first research objective is qualitative in nature. A tool, the Outcomes Framework, is used to standardize the results from which to draw a common set of themes that can be compared across the case studies. The themes enable the researcher to develop the instruments required to measure and test the other two research objectives ,which are quantitative in nature. Chapter three builds on the empirical literature by identifying what statistical methods should be used to analyze the quantitative data collected through interviews, site visits, reports and assessments of the sample participants.

Chapter Four begins with the write ups of the case studies. The data is collected along the lines of the conceptual framework and subsequently summarized into a tabular format. The common themes amongst the case studies are identified in response to Research Questions One. The themes are used to develop the quantitative instrument in line with the mixed methods exploratory research approach. The quantitative data findings are presented followed by an integration of qualitative and quantitative findings. The data is integrated to assist the reader in understanding the depth of the data, because no individual set on its own adequately describes the outcomes of the investment. Integrating the data in this way also assists the researcher to identify and recommend future study options.



Chapter Five summarizes the chapter four findings and interprets the results in relation to the conceptual framework. Thereafter, gaps and further insight are identified for further study.

## CHAPTER 2: LITERATURE REVIEW

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### 2.1 INTRODUCTION

The literature review identifies signature publications written by economists and development practitioners who have brought modern thought to efforts of poverty eradication. Thereafter, the review proceeds with case studies where groups of strategic partners have invested in projects aimed at achieving long term poverty eradication. It is these case studies that are investigated in the findings and recommendations of Chapter 4 and 5. Poverty is a global concern and the divide between rich and poor is not diminishing, resulting in a threat to global security (Gupta, 2015). In response, the United Nations built on the original Millenium Development Goals by declaring a new set of goals named the Sustainable Development Goals. In order to achieve these goals, the world – government, business and civil society – is rethinking the way it approaches poverty eradication. The United Nations Member States committed to the 2030 Agenda for Sustainable Development (The United Nations, 2015). The SDG's are integrated and indivisible and balance the dimensions of economic, social and environmental factors. This means that poverty is viewed as multidimensional in varying schools of thought. (The United Nations, 2015). The literature review first looks at key concepts adopted by sustainable development practitioners and then at the key influencers who support or deny the concept's validity.

### 2.2 CONCEPTUAL FRAMEWORK:

#### 2.2.1 CONCEPT ONE: SUSTAINABLE FORMS OF PHILANTHROPY

Traditional forms of philanthropy cannot create equality due to the dynamic created between the benefactor and beneficiary. As Martin describes in *The Guardian*- the basis of any relationship between a beneficiary and benefactor – effectively rich and poor – is premised on an unequal economic status. The relationship going forward is generally seen to perpetuate the inequality between the two parties rather than create a scenario where the poor rise up to wealth in their own right (Martin, 2016).

The below literature outlines a few sustainable approaches to investing in equality.

### *2.2.1.1 MUHAMMED YUNUS – GRAMEEN BANK*

The Grameen Bank was birthed from Yunus' desire to see those at the bottom of the pyramid have access to credit to build their assets and livelihoods. Yunus began lending in very small amounts using his personal funds to (mostly) women in Bangladesh. Starting with a loan of \$27 to a group of 42 people, Yunus signed as guarantor because the bank viewed this segment of the market as high risk. The loan repayment was a success so Yunus continued to grow by increasing the number of micro loans to more groups of people (Nobel Foundation, 2006).

Grameen means "Village" to signify the model of lending to groups who are collectively responsible for the repayments. Yunus realized that in order to tap into the market the Bank needed to offer minimal barriers on application and little bureaucracy. The nature of poverty means that individuals who the micro-credit aims to benefit, are not able to provide collateral required by commercial banks. If the bank had been interested in securing collateral the micro-credit would never have reached the desired target market or served its purpose of poverty eradication. Commercial banks target the rich who are predominantly male, and people living in city centres. Grameen's target market is the poor, women and people living in rural areas. The way the Grameen Bank approached lending needed to change the normal commercial lending approach to accommodate this target market (Yunus, 2012).

Yunus is of the opinion that, in order to service this market, the bank should not be interested in the historic record of the client but only with the future behavior of the individual. The reason behind this, Yunus feels, is that society is responsible for the behavior of people stuck in poverty. Once an individual is asked what her dream is, and the necessary future behaviour to reach that dream is clearly described, the likelihood of success is very high (Yunus, 2012).

At the time of Grameen's inception, commercial banks were mainly owned by rich Caucasian men. Consequently, in line with the bank's disruptive business model, Grameen is owned by the borrowers themselves. Yunus states that all humans are entrepreneurial and that it is a question of building confidence in people to bring out the enterprising side of their abilities. An example of a slight behavioral change that takes a shared value approach was tested with beggars in Bangladesh. Instead of going house to house begging for food for free, the beggars were encouraged to take items with them door to door to exchange for food. The type of

success that Yunus witnessed was beggars becoming personal shoppers for mothers who did not have time to shop. Yunus says that if even a beggar can escape their way of surviving, everybody is capable of developing their innate entrepreneurial ability (Yunus, 2012).

Yunus believes that poverty is an externally developed phenomenon and that there is nothing wrong with the humans experiencing it. It is the product of society that people become impoverished and develop a deep belief that they are not able to achieve and dream. Poverty is not created by poor people. It is created by the systems that people have built (Yunus, 2012).

Effectively, Yunus has proved that social cohesion can be an alternative to collateral (Nobel, 2019). Groups of five or more individuals borrow as a group. The bank relies on the moral good standing of the group to ensure the loan is repaid. Lending in this socially integrated way has resulted in up to a 97% repayment rate (Grameen Bank, 2019). Grameen estimates that the borrowing group members earn a household income of over 50% more than the control group that was evaluated. An exciting discovery was the shift from menial labor wages that are socially inferior, to higher wages through trading as micro-enterprises. By 1998 savings held by the borrowing groups had reached approximately \$162 Million (Grameen Bank, 2019). From the viewpoint of multidimensional poverty, it is important to note that other changes have been recorded by Grameen as a result of having access to credit and social savings groups. These changes include independency from husbands, home improvements and improved nutritional intake by the families (Grameen Bank, 2019).

#### **2.2.1.2 THE FORTUNE AT THE BOTTOM OF THE PYRAMID**

In his book, *The Fortune at the Bottom of the Pyramid*, Dr. Prahalad wrote about transforming passive recipients of charity into consumers and producers in their local economies (Prahalad, 2009). Dr. Prahalad calls for inclusive capitalism. In this study, the private sector's value in local development will be measured by its ability to do just this. Two thirds of the world's population is categorized in Tier 4 (See Diagram below). This diagram shows that, although the spending power per individual is less than \$1500 (annual income per capita), the number of people in this tier has created an informal economy that accounts for 40% to 60% of total economic activity in developing countries. Historically, the corporate sector has not seen

value in this tier; however, Prahalad likens the purchasing power of this tier to an iceberg. Only the tip is currently quantifiable (Prahalad & Hart, 2002).

**DIAGRAM A: THE WORLD ECONOMIC PYRAMID**

ANNUAL PER CAPITA INCOME	TIERS	POPULATION IN MILLIONS
More than \$20,000	1	75 - 100
\$1,500 – \$20,000	2 & 3	1500 - 1750
Less than \$1,500	4	4000

- Based on purchasing power parity in USD
- Source: U.N World Development Reports

Drawing these findings down to a micro-level for the purpose of this study, Warwick Junction in the centre of Durban city provides evidence in support of Prahalad's claim. Warwick Junction turns over more annually than a popular mall close by that services Tier 1 to 3 of the formal economy (Asiye eTafuleni, 2008). The Warwick Junction traders have been recognized for their economic contribution since the 1980s. Trader committees and crimefighting units have been set up to work with the municipality and the police to protect the traders and create a space ideal for street trading. Urban renewal interventions with NGO, Asiye eTafuleni, have drastically improved the flow of foot traffic through the junction as well as created security for product stored overnight. The goods that the traders are able to sell with the added security have improved in quality and quantity thereby giving access to the informal economy to product that they want and increased earnings to the traders (Asiye eTafuleni, 2008). A key advocacy role that Asiye eTafuleni play is engaging with local government to promote inclusion of the informal economy and integration in urban planning (Asiye eTafuleni, 2008). The value of Warwick Junction to Durban's economy cannot be underestimated – and certainly could not be replaced with a typical retail mall targeting the upper tiers of the pyramid.

### 2.2.1.3 THE THEORY OF CHANGE

The DG Murray Trust's Theory of Change used during programme designs allows outcomes to be measured. A theory of change is required by practitioners to evaluate whether the investment in the programme was worth it. On many occasions merely by going through the

process of theory of change, risks, constraints and limitations can be identified and dealt with upfront before resources have been dealt with (Harrison, 2014).

The Theory of Change model was created to assist investors and development practitioners to define who their beneficiary is, the desired outcome of their investment (or definition of success) and the steps required to achieve this outcome. Essentially the TOC would be the first step in defining the business model around solving a social or environmental problem. The outcome framework that results from defining the Theory of Change, is a graphic representation of the change process (Aspen Institute, 2004). In developing the TOC, change pathways are mapped out with measurable inputs and outputs that are meant to achieve the desired outcomes. The next step, once the TOC is defined, would be to implement a sustainable intervention using business principles (as a social enterprise would) but customized to shared value rather than solely profit (Aspen Institute, 2004). Examples of this will be tested in the sample.

**TABLE 1: ELEMENTS OF THE IMPACT FRAMEWORK**

<b>INPUTS</b>	What resources go in to the intervention
<b>ACTIVITIES</b>	What activities occur
<b>OUTPUTS</b>	What is generated through these activities
<b>OUTCOMES</b>	What changes in the sample occur as a result
<b>MEASUREMENT</b>	How are the outcomes measured
<b>IMPACTS</b>	What are the long term changes as a result of those outputs

## **2.2.2 CONCEPT TWO: SELF-DIAGNOSIS AND SELF-ORGANISATION**

The below literature presents scenarios in which participants occupy themselves with understanding their own poverty status. The literature shows instances in which self-organization eradicated poverty.

### **2.2.2.1 JULIUS NYERERE'S SOCIALIST EXPERIMENTATION IN 1973**

As outlined in his political programme, the Arusha Declaration, Nyerere was committed to the creation of an egalitarian socialist society based on cooperative agriculture in Tanzania.

Nyerere organised village farmlands under state ownership, carried out mass literacy campaigns, and instituted free and universal education. Nyerere was driven to see Tanzania's become economically self-sufficient rather than remain dependent on foreign aid and investment. Nyerere termed his socialist experimentation "ujamaa", which is the Swahili word for "familyhood". Nyerere chose this name to describe his vision of economic cooperation, racial and tribal harmony, and moralistic self-sacrifice. (Encyclopædia Britannica, 2019).

*"Development brings freedom, provided it is development of people. But people cannot be developed; they can only develop themselves. For a while it is possible for an outsider to build a person's house, but an outsider cannot give the person pride and self-confidence as human beings. Those things people have to create for themselves, by their own actions. They develop themselves by what they do, they develop themselves by making decisions, increasing their knowledge and ability and by their full participation – as equals –in the life of the community they live in..."*  
(Nyerere, Kambarage, & Swahili, 2019).

#### 2.2.2.2 POVERTY STOPLIGHT

The Fundacion Paraguaya, a micro-credit lending organization, developed the Poverty Stoplight tool as a mechanism to understand if the loans that they had extended to client's trapped in poverty, were being used effectively to change lives. Fundacion Paraguaya wanted to know if the micro-loans were effective in enabling impoverished individuals to escape poverty or if access to credit was being used for short-term gain only. To measure this, they developed the Poverty Stoplight tool (Bergh, 2019).

Fundacion Paraguay has recently released a case study documenting results of the survey after launching micro franchises in three different provinces in Paraguay. Micro franchises assessed were businesses that could be replicated several times without saturating a community quickly. Particularly items such as fast-moving consumer goods, clothes, textiles to name a few much needed items by everyone in the informal economy (Fundacion Paraguaya, n.d.).

*Caveat:* The Poverty Stoplight tool does not eradicate poverty. It is not a programme. It is a tool and a methodology that helps to activate and catalyze people on their journey out of poverty (Bergh, 2019).

In an interview with Laura Bergh, Chief Enabler of the Poverty Stoplight Office South Africa, a deeper understanding was gleaned of how the tool has been adapted to a South African context and some insight into results seen by the first organisations who have adopted it.

### *How was the original Poverty Stoplight tool adapted to suite South Africa?*

The Poverty Stoplight SA (PSSA) Office, in conjunction with a number of non-profit organizations, has adapted the original tool to suite a South African context. When looking at the indicators it was clear that some aspects applied and some did not. Laura Bergh, Chief Enabler of the Poverty Stoplight SA office, attended the *Strategies to Overcome Poverty and Inequality: Towards Carnegie III Conference*, where she had access to over 300 peer reviewed papers looking for the right indicators that would diagnose poverty. Bergh was specifically looking for those indicators that were relevant in South Africa versus those relevant in Paraguay. This process helped Bergh to reject indicators that did not apply and introduce new ones found in the Carnegie papers. The indicators also needed to be rewritten to make the language and visual representations appropriate. As an example: access to clean water differs in many ways in South Africa versus Paraguay so the pictures and descriptions used to differentiate the Green, Yellow and Red categories had to be adjusted (Bergh, 2019).

PSSA subsequently initiated a pilot study in collaboration with The Clothing Bank. They did this by inviting groups of people who are socio-economically disadvantaged to a voluntary workshop. The participants were asked to engage in dialogue and contribute their views of what it means to be very poor (red), just poor (yellow) and not poor (green). This exercise was done anonymously. In effect the participants described the indicators that we see used today. This means that the indicators were not drafted to conform to a western ideal and in effect, fundamentally differentiates the PS tool from other tools used to measure poverty eradication. An instance where a western ideal was removed from the diagnostic was when the hosts asked the working group why access to hot water had not been mentioned. The answer given was that being poor meant not having running water that is clean, reliable and



affordable. No access to hot water is not an indicator of being poor because hot water can be made on the stove or over a fire as long as the household has access to clean water in the first place (Bergh, 2019).

In summary, the indicators were regionalized to a South African context through democratic and participative workshops. Through this process the Poverty Stoplight SA office and the working groups came to a consensus about what scenarios should be used to define the red, yellow or green options. The updated tool was trialed in both rural and urban areas and it was found that the indicators were applicable across the different sectors and did not need to be adapted further (Bergh, 2019).

PSSA continuously evolves the tool in response to feedback and learnings gained from member organisations and facilitators in the field. As an example; the wording around access to separate sleeping bedrooms was changed to sleeping spaces. This indicator refers to girls being separated from boys and parents sleeping separate to their children. In South Africa, many homes separate sleeping spaces by simply using items such as crates, or mats and not necessarily brick and mortar walls. The indicator is related to boys' and girls' behavior through puberty as well as adolescents or adults taking advantage of vulnerable family members. The emphasis is therefore not on what is used to divide, but more that there are dividers of some sort (Bergh, 2019).

It would be prudent to note that the participative phase did not include people with disabilities, it did not specifically test culture, nor did it test across the race lines. PSSA felt it was important to keep the tool 'race' agnostic (Bergh, 2019). The researcher supports this decision as it is important in the pursuit of an equal society that we stop the narrative of being black implying that the individual is also poor. Dr. Max Price pointed out to attendees at the Carnegie III Conference that although legal divisions along racial lines no longer exist in the post-apartheid era, inequality will persist along racial lines for a long time in post-1994 South Africa (Cherry, 2012).

PSSA have since been amazed that the results, nationwide, demonstrate that the flavor of poverty differs between cultural backgrounds. In a recent unpacking of results from a

Coloured community in the Western Cape, the trends found were centered around family dysfunctionality. This translates to incidents of feuds, bitterness and anger experienced in family units. In contrast, it is rare that such results are seen in Black communities. It is also surprising to see how flavours of poverty change between communities that are in close proximity. As an example; the flavor of poverty in the community of Westlake is apathy. The flavor of poverty in the community of Lavender Hill is fear because it is a community riddled with gang activity. These communities are within eight kilometers of each other (Bergh, 2019).

Another way in which the tool was adapted to South Africa is the fact that the Poverty Stoplight SA office and its members have been successful in building a movement of likeminded organizations committed to true transformation. Organisations who want to look in the mirror and ask themselves the question “are our investments and programmes moving the needle of transformation?”. This movement enables Information to be shared between organizations and, in effect, leapfrog the ability to make informed decisions by capitalizing on centralized intelligence (Bergh, 2019).

#### *What differentiates PS from other tools?*

The Poverty Stoplight tool is based on a self-assessment where participants self-diagnose what their quality of life is like for themselves and their family units at a point in time. When the participating family see the result of their own assessment, they have two choices: be in denial or choose to buy in. The self-diagnosis and subsequent awareness mean that the family can take steps and do something about their poverty status. Popular responses that the Poverty Stoplight SA office hear are “*Wow I am not as poor as I thought I was*” and “*I can change this*” from participants who have acknowledged their responsibility and agency to change (Bergh, 2019).

Participants who choose to buy in are able to shift themselves out of poverty if given the right kind of support – but only if they want to. The self-assessment ensures that the results are not an external judgement of the family. Nobody is judging them. It is for this reason that a facilitator is essential to assist the family to search within and reflect on what the family is in denial about and may not be ready to face head on. In fact, the tool used in a facilitated

manner is so central to the integrity of results that PSSA are challenging certain organizations internationally not to allow the tool to be used in isolation. Participants should not be allowed to use it without support during the process as having somebody there to help you answer as honestly as possible is a large differentiator (Bergh, 2019).

The tool allows for the qualitative data to be recorded. Often with other tools only the quantitative data is recorded. This only enables the users to know the facts and not the causes of the diagnosis unless a facilitator can bring qualitative information back. The best data that PSSA is receiving is from the qualitative data brought back by the facilitators in the field. This data tells PSSA what people are changing first and why those decisions are being made – further emphasizing that this is nobody’s journey except the participants themselves (Bergh, 2019).

The tool is easy to follow. The answer options are separated into red, yellow and green with clear visual representations to assist participants in ensuring that the answer they choose for real life situations corresponds to the picture representation on the tool. Unlike many assessments where researchers perform the study and keep the data, evaluators do not take the PS data home, the information is left in the hands of the participants. This is important because information is power and the completed scorecard starts the important discussions at home (Bergh, 2019).

The tool is creating a shared language of impact so that people can have meaningful conversations and understand what that indicator means across the board. Members of the PS movement understand what each red, yellow and green indicator means and what is required to shift an individual from red to yellow to green status (Bergh, 2019).

#### *What limitations does the PS Tool have?*

There are limitations to the tool. The tool itself is not a silver bullet. It does not work with ordinary philanthropic engagements. It is only useful when measuring programmes with actual movement that can be assessed. Examples of programmes where the tool would not be useful is in the case of feeding schemes and old age care. The nature of these programmes is that they continue into perpetuity. In the case of a feeding scheme, it delivers the same

service rather than routing out the cause and addressing it. There is no movement that can be measured because the programme has not eliminated the root of why the children are not being fed at home and require access to a feeding scheme. Where programmes are aiming to move people from Point A in their lives to Point B (through enterprise development, skills development and job creation as examples), the PS tool is ideal. It would be used for measuring whether the programme is effective as well as enabling the participant to use the programme more effectively once they have an awareness and acceptance of their poverty status (Bergh, 2019).

*Caveat:* The Poverty Stoplight tool does not eradicate poverty. It is not a programme. It is a tool and a methodology that helps to activate and catalyze people on their journey out of poverty (Bergh, 2019). The tool allows organizations to measure whether their engagements have actually shifted the needle and been effective in poverty eradication (Bergh, 2019).

The PS tool is a good building block for the NPI index but has limitations. According to Bergh, the tool can be reworked so that the data could one day be compatible and feed directly into an index such as the NPI (Bergh, 2019).

Another limitation is a continuation of the importance of the facilitator. The facilitator assisting the participants can make or mar the process. The facilitators are core to the integrity and quality of the data. The facilitators are therefore required to be of the right caliber and appropriately trained in order to ensure quality data input (Bergh, 2019). The ideal scenario is to ensure that the facilitator is of the same cultural background as the participant. This encourages honesty and a mutual understanding of certain indicators. It has been found that in some cases the conversation can become awkward and less transparent if the facilitator is not carefully selected. However, organizations cannot use facilitators that are local to the community that the participant is from. This is because the community will not be honest with their neighbor knowing their deepest information resulting in guarded conversations and inaccurate data collected (Bergh, 2019).

Implementing the tool properly requires capacity and budget. The facilitation fee is on average between R350 and R600 per assessment and sometime additional costs for mileage

and special reporting requirements are incurred. Member organisations also pay a small membership fee to the PSSA office enabling access to a network of like-minded organizations and a central intelligence database (Bergh, 2019).

#### *How safe is the data collected?*

The data collected and stored on the cloud is safe and not distributed. The system is encrypted using Microsoft Azure. The risk lies in organisations downloading the data and not keeping the information safe on personal devices (Bergh, 2019).

There have been instances where the PSSA were required to make ethical decisions that may have compromised participants. The PSSA has been approached by more than one bank to sell the data to them or, if not that, then to buy the data which would then allow them to go into other communities to do surveys and collect the information. The reason provided to PSSA was that the bank wanted to use the data to create new financial instruments for the unbanked. The PSSA suspected that this was just another way to capture an uncaptured market while violating participants' trust (Bergh, 2019).

#### *Does the PSSA have criteria that needs to be met in order to use the tool?*

The PSSA do not allow the tool to be used for research only. The nature of the assessment creates expectation in the form of enabling self-awareness. It would not be ethical to abandon the follow-up and not to work through shifting at least one indicator through a programme once the family unit is aware of their status and has bought into escaping poverty. The participant would want to do something about their status but the organization that has brought it to their attention has left them with no helpful service. The PSSA therefore asks member organisations to commit to shift at least one or two indicators with the participant either through the organizations own programme or using outsourced assistance (Bergh, 2019).

In response to insights from the data collected in the central database, Bergh has a number of recommendations to the private sector on its investment approach that she feels will effectively move individuals from red to green on their PS scorecards. These include to start investing in programmes that have evidence to show for themselves and can articulate how

their programmes are working. The Private sector should invest in long-term journeys and move away from short term, twelve to eighteen-month, projects. They should also be partnering with social enterprises and NPI's on a journey to achieve poverty eradication collaboratively. The Return on Investment needs to be measured in terms of impact over a three to five-year period. The Private sector should take more risk and invest in activist orientated activities. Activism opens the doors to NPOs to implementation opportunities. Bergh would like to see corporates measure success in ways other than according to numbers and outputs. She encourages measuring outcomes and impact. As an example: an incubation programme should be able to tell investors how many entrepreneurs lives had changed and where they are now. The Private sector is encouraged very carefully to select strategic partnerships rather than view investment in a passive capacity. Businesses employ people who are part of families which may have members who are struggling. Bergh encourages businesses to invest in their own employees' families. The reporting that is required by businesses to comply with, given Bergh's recommendation, should mean that businesses partner with organisations that are effective and can be trusted to deliver impact. The due diligence in vetting partner organisations is key in the selection (Bergh, 2019).

#### *2.2.2.3 ASSET-BASED COMMUNITY DEVELOPMENT (ABCD)*

ABCD is a development approach that starts off the conversation by asking what a community has instead of what a community needs. ABCD emerged from recognizing that some communities self-organize to take advantage of opportunities in order to escape their poverty status (Coady International Institute, 2013). Poverty Stoplight echoes this statement. The process is driven by the community themselves during facilitated workshops. The tools that are used include:

1. Mapping the physical assets in the community such as schools, land, water etc.
2. Mapping social assets in the community such as sports teams, skilled traders etc.

An example of one of the exercises used in Asset Based Community Development is the The Leaky Bucket. This exercise determines the resources and earnings entering the community (or family unit) and how those resources flow out. The objective of the exercise is to understand what actions must be taken to keep as much resource in the bucket (household).

Often this tool enables families to truly understand the magnitude of resource they have available to them and compare it to the value it has created. Oftentimes, money “leaks” out the bucket by being spent on something that is not value-adding. The family is encouraged to find ways to stop the leaks (Coady International Institute, 2013). A simple ABCD asset mapping is used in conjunction with the Poverty Stoplight tool during data analysis of the selected sample.

John Kretzman, one of the leading thought practitioners of the Asset Based Community Development movement, voices one drawback to the ABCD approach in enabling low-income communities to thrive. Poverty is a result of systems that are flawed where Government has not regulated a fair and just society and where they have not honored service delivery. Developing communities from inside out, as prescribed the ABCD approach, results in self-sufficient internally dependent economies. It follows that the pressure on the state would be relieved. Kretzman asks whether this is the desired result because government should be brought to book when it is not delivering. It is also for this reason that critics have questioned whether ABCD would solve large scale issues where policy change is necessary. These critics say that there is an intrinsic conflict in the self-organisation perspective versus the accountability perspective; if communities mobilize and find ways to bypass poor service delivery by government, what would be the incentive for policy change required to serve basic human rights (Kretzman, 2009).

### **2.2.3 CONCEPT THREE: SUSTAINABLE DEVELOPMENT THROUGH AN INTEGRATED CSR APPROACH.**

Sustainable development using an integrated approach to CSR makes good business sense. Globalization has increased the contact between developed and developing countries. Territories of poverty are therefore changing, and poverty has a direct impact on the greatest economies (Gupta, 2015). This narrative could be brought to a micro level in the case of privileged urban areas bordered by informal settlements. The friction that occurs as a result of interacting through trade of product and services is known to result in increased crime.

The literature below presents frameworks and theory applicable to how companies invest in social and environmental wellbeing.

### *2.2.3.1 THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS*

The UN and its member states declared the 2030 Sustainable Development Agenda in 2015. The Sustainable Development Goals (SDGs) are built on the Millenium Development Goals (MDGs) originally adopted in 2000. The goals are participative, encourage collaboration and partnership, and take an integrated and indivisible approach to sustainable development. The UN released these goals with the clear purpose of releasing the human race from the drastic effects of poverty and to heal and secure the planet. The world's action plan over 15 years seeks to encourage sustainable consumption and production, foster progression in harmony with nature and create full and meaningful lives for all humankind (The United Nations, 2015c).

As a result of the MDGs adopted in 2000, poverty has reduced by more than 50% compared to 1990. This is evident from the fact that more girls and boys go to primary school and have access to water and medicines since then. However, today over 800 million people still live in extreme poverty and are still vulnerable to environmental impacts and economic degradation. Sub-Saharan Africa and Southern Asia consistently achieve lower progress than any other region. The MDGs measured success on national averages but often missed results on marginalised groups which consist of people with disabilities, indigenous groups, rural communities and women. The SDGs recognize these shortcomings and that human prosperity must go hand-in-hand with protecting the planet. The international community recognize the challenges and after a three year participatory process, world leaders developed the seventeen Sustainable Development Goals (CAFOD, 2016).

There are four underlying principles of the SDGs and they are transformational to the way the modern world approaches development. Firstly, the goals are universal and can be applied to developed and developing countries. Tackling poverty requires global solutions forcing countries to coordinate and integrate. Local solutions can have an impact on other parts of the world (CAFOD, 2016).

Secondly, all dimensions of sustainability need to be integrated. That is, economic development, social progress and environmental protection. A practical example to



demonstrate this is the ability to grow enough food without destroying the soil or overusing water. This approach can develop economies without increasing inequality. An integrated approach essentially seeks to combat poverty, restore dignity to the marginalised and, at the same time, protect nature. The SDGs say that nobody should be left behind, and no goal should be met unless met by everyone including those people who are hardest to reach. Tackling exclusion is the only way to tackle inequality (CAFOD, 2016).

### 2.2.3.2 *CREATING SHARED VALUE*

While the traditional view of business is narrow in its focus on maximizing profits, social entrepreneurs are free from this constraint. The creation of hybrid enterprises have found profitable solutions to societal problems (Porter & Kramer, 2011).

The Ecosystem of Shared Value (Kramer & Pfitzer, 2016) shares the notion of collective impact which suggests that multiple players in an ecosystem cause social problems through a complex combination of actions and omissions. No one organization or person acts in isolation. It follows that representation from each player is crucial for the problem to be diagnosed and a solution found that does not exploit one party. Businesses bring efficiency and a backbone of support to solving problems. Kramer and Pfitzer explain that the elements of Collective Impact include a common agenda, a shared measurement system, mutually reinforcing activities and lastly, constant communication. These elements are incorporated into the impact framework (Kramer & Pfitzer, 2016).

Steve Denning questions the real impact of Creating Shared Value and if it really is a solution to bridging corporate-social-responsibility and business-as-usual. Denning believes that the world has moved into Capitalism 3.0 – consumer capitalism. The market is no longer one where a firm makes a product and the consumer has limited choice and say in the societal and environmental it took to make the product. Nowadays, companies are having to ask themselves what it is that consumers really want and what they will consider before purchasing (Denning, 2011).

Denning argues that although companies such as GE and Walmart have introduced products that meet the shared value principles, the portion of their business as a whole dedicated to

the new approach is a fraction and that the principles have not carried all the way through the business. In the case of GE however, this new line of ecological products is the fastest growing portion of the business so it is expected that the business case behind creating shared value would be made and the company will transform the other lines of business (Denning, 2011).

*Creating Shared Value (CSV)* is a concept that recognizes capitalism for its efficiency in creating jobs and wealth, but challenges today's enterprises to try a new kind of capitalism where shared value is the goal rather than profit maximization. Creating shared value is not about redistribution of wealth but about expanding the total pools of economic and social value.(Porter & Kramer, 2011). Porter and Kramer put forward three ways for companies to create shared value opportunities:

1. Reconceiving products and markets. Today, companies are focusing on enabling access for marginalized individuals to the formal economy. Gaining access to market at the bottom of the pyramid by doing business with this group is the type of effective investment Dr. Prahalad talks about that will release these individuals from poverty and inequality. When Unilever tapped into a new market in India by providing access to hygiene products, the process achieved two outcomes – increased earnings for the family and reduction of the spread of communicable diseases (Porter & Kramer, 2011).
2. Redefining productivity in the value chain. Social harms can create internal costs for businesses, such as capabilities, natural resource treatment, health and safety. Money can be saved in value adding ways such as finding a way to reduce the amount of waste going to landfills which lowers landfill costs and helps the company's sustainability rating (Porter & Kramer, 2011). The company can create value by redirecting waste to local waste beneficiation projects.
3. Enabling local cluster development. Globalization has meant that companies outsource to lower labor wage countries, but this has created transactional costs and inefficiencies that offsets lower wage and input costs. In this process, firms have lost touch with the communities in which they operate. Community members now see

increased business profits as something created at their expense because little direct benefit occurs in the community as a result of increased earnings that the business has achieved. Companies are now recognizing the expense of delocalized operations. The opportunity to create shared value exists in increasing efficiency and productivity of local suppliers so that there is more revenue to be earned as a whole rather than splitting wealth creation. New procurement processes may take the most investment, but Porter and Kramer believe that the payback in the form of a much healthier community and sustainable suppliers offsets this in the long run (Porter & Kramer, 2011).

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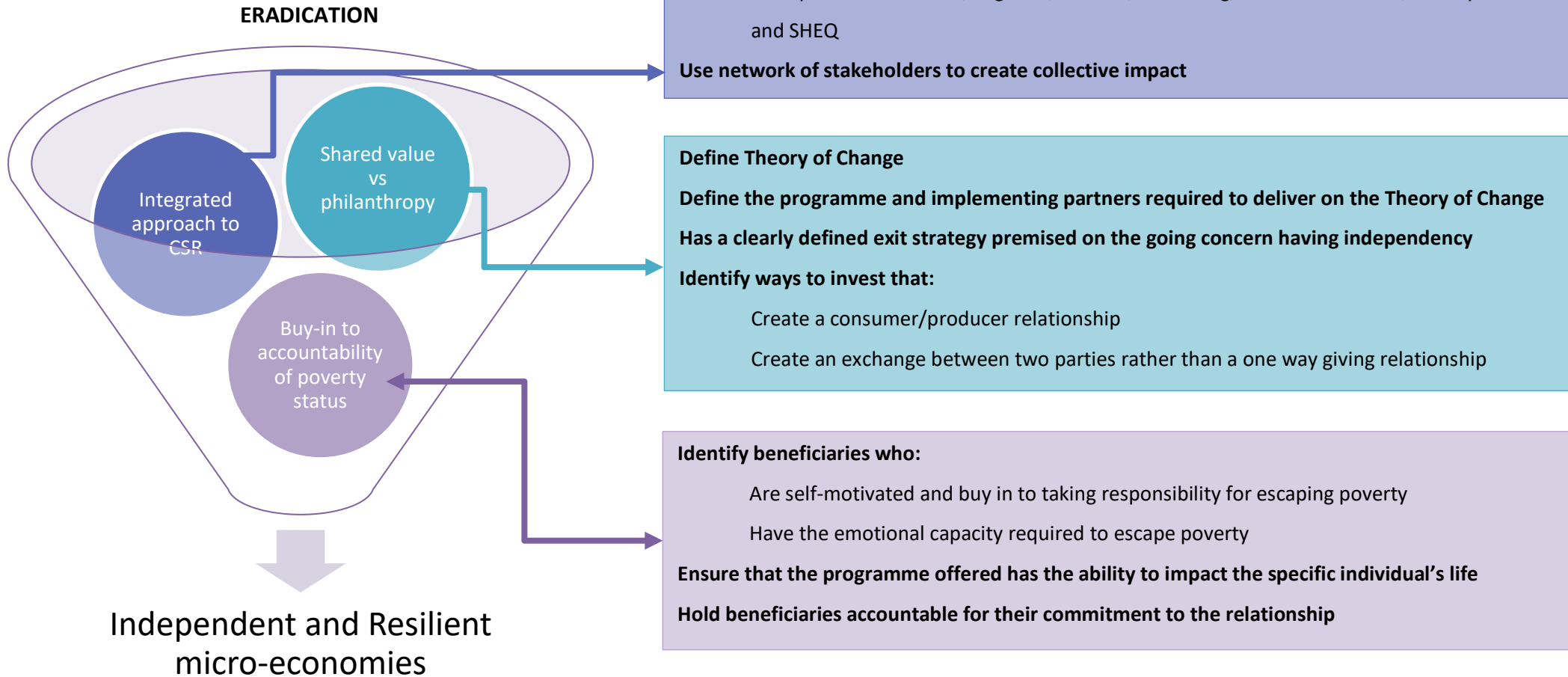
*“We are faced not with two separate crises, one environmental and the other social, but rather with one complex crisis which is both social and environmental. Strategies for a solution demand an integrated approach to combatting poverty, restoring dignity to the excluded, and at the same time protecting nature.” – Pope Francis*

(Francis, 2015)

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**DIAGRAM B: CONCEPTUAL FRAMEWORK**

**PRIVATE SECTOR APPROACH TO INVESTMENT IN POVERTY**



## 2.3 EMPIRICAL LITERATURE

### 2.3.1 POVERTY STOPLIGHT EMPIRICAL LITERATURE

In a study by Burt and Hammler, results were presented from the foundation's micro-finance programme between 2015 and 2017. Using a statistical analysis method of multilevel modeling (MLE) with fixed (FE) and random effects (RE), and 2-stages-least-squared (2SLS) estimations, the results show that, where the Poverty Stoplight tool was used, poverty levels decreased more over the two year period than in the control group where the tool was not used (Hammler & Burt, 2017). The econometric analysis shows that where Poverty Stoplight was used, the participants experienced, on average, a reduction of 7.3% in the deprived areas on the scorecard. For the control group, the reduction was 4.7%. In summary, the results from the study show that comparable micro-finance participants who take part in Poverty Stoplight have more success in reducing their poverty stoplight than those who do not (Hammler & Burt, 2017).

In Burt's thesis he tests the reliability, validity, discriminatory power and practicality of the Poverty Stoplight tool. Learnings from his results are taken into consideration in the methodology and acknowledged as limitations of the study. These findings are particularly important to consider when developing the final instrument for data collection.

*Reliability:* Burt found the overall reliability to be weak due to the facilitated nature of the tool. The Cronbach's test is used in this study once data has been collected to test the internal consistency of the results before using them for statistical analysis.

*Validity:* Burt concluded that while on one hand the participants in the study believed that the tool used appropriate measures, the narrative descriptions supporting the choices were not robust enough which did not give adequate information to analysts of the data to make informed decisions (Burt, 2016). As Bergh explains in Concept Two, the South African version of the Poverty Stoplight tool was tailored to the exact indicators and definitions of those indicators as prescribed by the socio-economic class for which it was designed (Bergh, 2019).

## 2.4 SUMMARY

The key concepts that have been extracted from available literature in the public domain look for long-lasting impacts on poverty eradication across regions globally. There are a number of case studies and narratives evidencing ways to reach the desired outcome, but less empirical evidence available to prove specific methodologies that have caused reduction in poverty and creation of independence through healthy ecosystems.

While peer reviewed evidence is available in other regions, there was no case study or other literature specific to Kwazulu-Natal where methodologies aligned perfectly to the three concepts identified in this literature review. This proves that a gap exists in documented results which is cause for concern. The flavor of poverty in Kwazulu-Natal is vastly different from other regions in South Africa and most certainly other regions of the world (Bergh, 2019).

The Poverty Stoplight tool highlights trends in the quality of life of participants. Bergh has been able to see distinct differences in trends between provinces in South Africa. Therefore, all development strategies should be localised. The development plan for Kwazulu-Natal ideally needs to be tailored to directly impact these trends that emerge. There is not a one-size fits all solution.

The researcher has been involved in implementing pilot programmes on behalf of private companies where key principles from the methodologies presented in the literature review have been used on which to build the investment strategy. The programmes have been funded by the private sector in Kwazulu-Natal.

This study is going to measure both the qualitative and quantitative outcomes in the family units directly impacted by these programmes. The study also attempts to capture the impact on business as usual to the private company that directly resulted from investing in the programme. The types of private sector investment are aligned to compliance with legislation in South Africa and in the Income Tax Act allowing the reader to conclude whether implementing development agendas within the spirit that legislation has been written, can be effective.

## CHAPTER 3: METHODOLOGY

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### 3.1 INTRODUCTION

Each case study was approached from the perspective of the conceptual framework. The methodology draws on the strategic purpose behind the investment and the intended outcomes in order to interpret what data needs to be collected, how the data is collected, and from where it is collected to maintain integrity of the data. The qualitative and quantitative data is integrated in order to interpret the findings from a multi-dimensional perspective. This study measured data that proved or disproved the hypotheses and research questions. The primary study is based on determining whether a population of individuals and their family units, relevant only to the specific investments made by a small group of companies, were able to escape poverty in at least one dimension over the period measured. A secondary study would be required to prove or deny that the conceptual framework itself consistently leads to engineering investments that are effective in poverty eradication. A larger number of companies and participants would need to be evaluated in this case.

### 3.2 RESEARCH APPROACH

The case studies are a first of their kind and therefore the research available is limited to non-existent. The research cannot be confined to either qualitative or quantitative as only half the depth of the study would be achieved. The qualitative results are substantiated by quantitative research and, as such, the research approach chosen is that of Mixed Methods. The underlying principle of a Mixed Methods research approach is the process of linking the qualitative with the quantitative data where neither one is sufficient to answer the research questions (Berman, 2017). The qualitative approach relates to research question one which seeks to understand investment approaches used in the sustainable development projects due to the exploratory nature of the enquiry. The quantitative approach is employed to evaluate the impact of investments on poverty and broader economic benefits for family unit within a year of the investment as captured by research questions two and three.

### 3.3 RESEARCH DESIGN

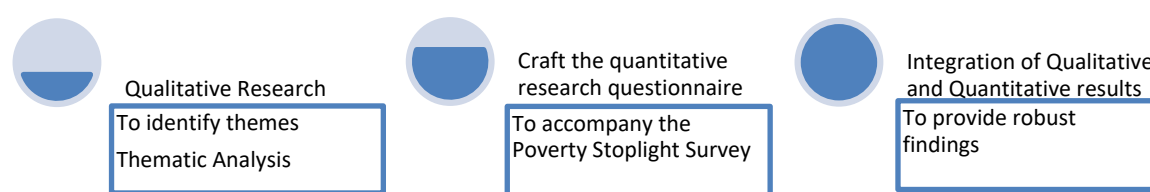
The success of interventions is first presented in a qualitative format, but the value of success is determined in a quantitative format. The nature of the research questions require explanation of how the case study came about and why the approach to investment occurred (Berman, 2017). This study aims to prove or disprove a certain type of investment approach.

The depth of discussion to explain the motivations behind the approach was the dependent variable. The independent variable was the quantitative data extracted as a result of the investment approach taken, thus the qualitative data informed the type of quantitative data given. The trends, contrasts and similarities across the case studies need to be represented quantitatively (Berman, 2017).

In this case, the sequencing requires a design that is exploratory rather than explanatory. Exploratory sequential design is used when little data exists on a subject. It is characterized by three phases. The first is a collection of qualitative data, the second is quantitative data and the third is integration and linking the two sets of data (Berman, 2017).

Primary data was found before, during and after implementing community projects with a clear poverty eradication agenda. Annual reports and internal information was extracted from the various stakeholders participating in the research process. Most of the stakeholders are the primary researcher's clients or colleagues and thus extracting further data if required was possible.

**DIAGRAM C: EXPLORATORY SEQUENTIAL MIXED METHODS RESEARCH DESIGN**





### 3.3.1 POPULATION AND SAMPLING

#### 3.3.1.1 QUALITATIVE:

The target population required to provide the qualitative input were the strategic partners associated with each case study. There are between four and seven strategic partners per case study and in each instance the entire population is represented in the findings. At least one interviewee contributes to each case study and the remainder of the data is extracted from project reports and company overviews supplied by the strategic partner.

**TABLE 2: PARTICIPANT DEMOGRAPHIC**

CASE STUDY	CLASSIFICATION	CONTRIBUTORS
Early Childhood Development	Companies	CONTAINERWORLD BELGOTEX
Early Childhood Development	NGO's	GROW, SHONAQUIP, FOCUS ON ITHEMBA
Early Childhood Development	Project Service Providers	NAMHLA PTY LTD LEAD ARCHITECTS AGRINNOVATION
Waste Beneficiation	Companies	CONTAINERWORLD WALTEX
Waste Beneficiation	NGO's	THE CLOTHING BANK
Waste Beneficiation	Project Service Providers	NAMHLA PTY LTD
Trades Sector	Company/SOE	BELGOTEX, CETA
Food Security	Company/SOE	BELGOTEX, AGRISETA
Food Security	Project Service Providers	NAMHLA PTY LTD AGRINNOVATION

#### 3.3.1.2 CASE STUDY ONE: EARLY CHILDHOOD DEVELOPMENT

**STRATEGIC PARTNERS:** BELGOTEX, CONTAINERWORLD, LEAD ARCHITECTS, FOCUS ON ITHEMBA, GROW WITH EDUCARE CENTRES, SHONAQUIP, AGRINNOVATION

**PURPOSE OF STRATEGIC PARTNERSHIP:** To setup Early Childhood Development micro-franchises that include children with disabilities, are financially sustainable and structurally fit for purpose in the communities that they serve.

## **BACKGROUND TO EACH PARTNER'S INVESTMENT APPROACH AND ALIGNMENT TO SOCIAL ISSUE**

Early Childhood Development is the period of a child's development from conception until the time that he or she enters formal schooling in Grade R at the age of six. The fundamentals show that early childhood development has the highest returns of all investment in education and human capital (Ilifa Labantwana, 2016). Early childhood development involves a child's physical growth, language development, emotional awareness, self-control, social skills and identity. During the first years of life, a child's brain develops at a phenomenal rate. In this crucial period of brain development, the child is especially vulnerable and susceptible to his or her immediate environment, including the nutrition, protection, language and emotions that the child experiences on a daily basis. If the influence of these factors is positive, the child will thrive. However, if the child grows up in an environment that is not ideal for development, his/her survival is threatened, and her growth will be compromised (Ilifa Labantwana, 2018). This group of investors are convinced that early learning carries a multiplier effect that has the potential to break the intergenerational cycle of poverty. The first 1000 days of a child's life is a time of rapid growth that sets her developmental trajectories for the rest of her life, impacting the way that the child responds to formal schooling and the work environment (Clapperton, 2019).

The Case Study is a review of a project name "Project Bright". Named after Bright Zondi who is a good example of a strong, self-motivated woman committed to having a positive influence in her community. Bright was known to use the resources she had available before the investment to create a place of safety and instilling the importance of education in her caregivers and parent body (Blades, 2019).

### **- BELGOTEX**

Edward Colle, CEO of Belgotex Floorcoverings Pty Ltd, explains why investing in ECD is important to the company and shareholders. There is a glaring difference between what privileged children get to experience when they are growing up versus their low-income counterparts. It is no wonder that the country is not thriving. One just needs to drive around and notice that the vast majority of children grow up in an underresourced environment. This is why investing in excellent quality ECD is important. The fact that Belgotex makes product

that is ideal for use in early childhood development centres, is an added benefit. The least the company can do is offer these products to create beautiful spaces, improve hygiene, maintenance and accessibility for children with disabilities. The fundamental purpose is to invest in each child's starting chance. Colle believes that most parents strive to be better parents to their children. If all parents had access to knowledge about the importance of early childhood development then parents would use that information to carefully select the school that they send their children to.

The infrastructure component of the project unlocks alternative distribution channels for new floorcovering installers, but the reason for the investment is to play a significant role in enabling people to unlock their true potential. Colle believes that this cannot be done alone, collaboration with other people with beautiful minds and a deep passion for social impact is key to the investment approach (Colle, 2019). Specific to this project, Belgotex is removing barriers to enter the trades sector for floorcovering installers. The Enterprise Development beneficiary local to each project installs the turf and interior flooring alongside the Belgotex technical team.

The enterprising ability of the principal was important. From a risk perspective, Belgotex needed to ensure that the business was financially sustainable, upholds good governance and has fair labour practices (Triologue, 2018). Belgotex was most concerned with the long-term financial sustainability of the project as well as its ability to include the most vulnerable and marginalised individuals. In this vain, Belgotex introduced Grow with Educare Centres and Shonaquip to the project as collaborative partners. Tara Rosser, Regional Manager of Grow, writes that Grow provides the solution by working alongside the owner to receive and maintain the Educentre's registration with the Department of Social Development, achieves and grows her monthly budget and ensures the caregivers are keeping to the curriculum which is based on the NCF framework (GROW with Educare Centres, 2018).

#### - **GROW**

Tracey Chambers, CEO of Grow, shares that the vision of GROW is to become the largest chain of preschools in South Africa by providing women, who are currently running unregistered substandard creches, with the opportunity to operate a GROW with Educare franchise which

offers children from under-served communities excellent quality education that is also a viable business for the franchisee. This is what makes this model sustainable (Trialogue, 2018). The below table represents the improved financial situation after becoming a Grow franchis, received from Tara Rosser, Regional Manager of Grow.

#### MEASUREMENT OF IMPROVED FINANCIAL SITUATION

	JULY 2017	MARCH 2018	OCT 2018	GROWTH
Number of Children	28	46	65	230%
Monthly Income to the Educentre	R4200	R16100	R28647	682%
Number of Caregivers	2	4	4	200%
Salaries of Caregivers (trained and untrained)	R800 to R1000	R1000 to R1500	R1300 to R2000	200%
Salary for Cook	R600 to R800	R1000	R1300	216%
Educentre Owner Salary	R800 to R1500	R4000	R6000	750%

GROW uses social franchising to establish excellent, quality and affordable schools for children aged 2 – 5. Grow believe that providing quality early childhood education has the potential to fundamentally change the future of South Africa. Grow has successfully achieved this vision by designing a micro-franchise model that is simple and replicable. This business model provides the school owner with everything she needs to operate a quality and financially viable school. The model includes a significant investment of time in intensive teacher training, business mentoring and coaching in order for the school owner and her staff to effectively deliver quality education outcomes with financial sustainability outcomes simultaneously. The model is designed to offer an all-encompassing solution from school set-up to ongoing business sustainability, through high quality early childhood development, sound operational procedures and financial management. (GROW with Educare Centres, 2018).

#### - SHONAQUIP SOCIAL ENTERPRISE

By rolling out Ndinogona in over 200 centres (formal & ninformal) across a range of communities, Shonaquip have seen that true inclusion can take place when children participate in play and learning with their age-related peers; parents and communities are

empowered with accurate information and referral pathways; and service providers in the community are capacitated (Shonaquip, 2018).

For Project Bright in particular, Shonaquip's Ndinogona "I Can" Stimulation Kit and programme provided the training, experience and resources to empower caregivers to interact with and stimulate children across the spectrum of abilities and needs (Shonaquip, 2018). All children are unique and the programme equips caregivers with the ability to adapt learning, structured stimulation and play to create a fun, safe and empowering environment for each child within their care. This includes safe positioning, and how to adapt each activity to include children with a range of disabilities. Time is spent discussing and exploring the caregivers' understanding of a child's behaviour. Often children who are labelled as "naughty" may have other reasons for their behaviour such as frustration from not being understood, physical discomfort or attention seeking. Examples from the caregivers' own experiences are used to identify how to stop rewarding negative behaviour and help children to learn more constructive ways of asking for attention or communicating their needs (Shonaquip, 2018). In addition to capacitating caregiver and parents, Shonaquip provides an assessment of mobility and other impairment needs for the children at the centre and in the community. Shonaquip manufactures, supplies and professionally seats each child in his customized mobility device that is fit for purpose in rural South Africa. Another key component of inclusion within the community is identifying a referral pathway for parents of children with disabilities to rely on to access the help needed for their children and to rely on a parent support group. Shonaquip uses an integrated and holistic approach to achieving inclusion at the educentre and community (Shonaquip, 2018).

#### **- CONTAINERWORLD (PTY) LTD**

Terri Clapperton, CSI Manager for ContainerWorld explains that the company has begun a process of adopting the concept of shared value creation as the way in which their business operates. Creating shared value involves creating economic value in a way which also creates value for society, by addressing its needs and challenges. Clapperton recognizes that not all profit is equal. Shared value allows companies to create the right kind of profit. Shared value helps create societal benefit rather than eroding it, to enhance the environment rather than polluting it, and help meet the needs of the poor and vulnerable, rather than creating

dependency and inequality. This approach results in the focused provision of innovative, mobile space solutions that deliver a secure environment through which social, human and natural capital development programmes can be implemented (Clapperton, 2019). The social issue that CwL's investment strategy focuses on, is Early Childhood Development.

The Return on investment experienced by ContainerWorld as a direct result of their approach on Project Bright is R585,000. There may be other returns to be experienced in the future or as an indirect result. However, these cannot be concretely measured. CwL also had a strategic intention to attract clients who want to follow best practice in investment. The success of Project Bright inspired Bidvest Freight Terminals to change their approach to how they want to invest. The new approach is geared towards sourcing the right project, understanding the intended impact and who the custodian of the project should be. The value that was added in sourcing a project run by a great NGO went much further than just the provision of a classroom. The investment, as part of a collective, will have benefits much bigger and longer-lasting than merely the containers that are put on the ground (Clapperton, 2019).

As a result of doing the conversion for Project Bright, the CwL operations team experienced the conversion and delivery of a product to a fully-functioning school. This requires an ongoing focus on those containers rather than the traditional experience of once sold they are out of sight, out of mind. Certain deficiencies in the product have therefore been identified that raised concerns of quality control in the overall company operations. Some of the conversion processes may not be as good as the company thought resulting in much needed conversations internally. The approach is far more people-centered now. CwL are much more aware that they are converting containers for an end use rather than focusing on just the product itself. The technical design is therefore much more of a focus now that the operational team know the use and know that they will be interacting with those containers for years to come (Clapperton, 2019).

#### **- LEAD ARCHITECTS**

Lead Architects identifies itself as a firm that is process driven with a design process underpinned by rigorous research, user-participation, contextual analysis and thorough

consideration of impacts which ensures that the final product is purpose-and-people orientated as well as environmentally sensitive (Lead, 2016). When working with Lead Architects on this particular project, it was clear that the team have an earnest passion for the role that architecture and design plays in educational excellence. The physical structure that Lead Architects were responsible for designing had to meet the following parameters:

- Needs to meet the requirements of the Department of Social Development
- Needs to meet the requirements of the Municipality
- Needs to be set within parameters for the design – including weather patterns, sun movement, topography, context (incl. community), municipal.
- Include: universal access for disabled; rainwater recycling; minimal electricity use; natural light and ventilation; child-friendly design; proportional outdoor and play spaces; safety and security measures; weatherproof walkway wide enough for play in inclement weather; permaculture garden; roof & walkways to ensure containers are protected from sunlight; site design with future growth shown and some community spaces.
- Easy to maintain
- Not a permanent structure

(Lead, 2016)

#### - **FOCUS ON ITHEMBA (FOI)**

In an interview with Tayla Blades, Donor Relations Manager at Focus on iThemba, Blades explains that FOI's core focus is early childhood development with the aim of finding centres in the community where support can be offered predominantly through teacher training and infrastructure development. FOI strives for the centres to be self-sustainable and not to create dependency. In this vein, salaries are not subsidized nor are any other operational costs. FOI believes that, through business management guidance and teacher training, the centre is able to provide a structured, daily routine and effective learning environment. An important factor is that FOI does not own the centres, they are owner-run and managed which is fundamental to the sustainability and quality of education offered. Although the owners may not have the means to have the ideal infrastructure or access to skills development for caregivers, through partnerships, FOI assists in the physical infrastructure

upgrades and caregiver training prior to becoming a GROW Franchise. FOI's slogan is "Together we are Stronger". Many partners collaborate with FOI on their efforts in early Childhood Development. Some of the partners are: JAM Food Aid, Natal Early Learning Resource Unit, The Unlimited Child and Grow with Educare Centres. Blades mentions that the Grow programme and value proposition is so holistic and effective that FOI has committed to making sure all the centres within their network are on a trajectory to becoming GROW franchisees. This realization and subsequent strategic commitment is a great example of how building partnerships and collaborating has been in the best interest of the beneficiaries and speaks to the intentions set forth by the United Nations in SDG 17 (Blades, 2019). On average, Blades needs to raise between R900,000 and R1,400,000 per infrastructure upgrade. This Rand value translates into between thirty and seventy children having access to a place of safety and age-appropriate quality education. Blades agrees that the owner and the caregivers are the primary beneficiaries, without whom the children would have little opportunity (Blades, 2019).

### *3.3.1.3 CASE STUDY TWO: POST- INDUSTRIAL WASTE BENEFICIATION*

**STRATEGIC PARTNERS:** BELGOTEX, WALTEX, THE CLOTHING BANK, CONTAINERWORLD

**PURPOSE OF STRATEGIC PARTNERSHIP:** To use post-industrial waste as an income generator for unemployed men and women

## **BACKGROUND TO EACH INVESTMENT APPROACH AND ALIGNMENT TO SOCIAL ISSUE**

### **- BELGOTEX**

When material is uplifted from homes and offices due to quality issues Belgotex commits to disposing of it responsibly during while the material is replaced. Unlike post-industrial waste, a great deal of the material is non-recyclable due to the product being considered dirty waste after it has been installed and then uplifted. However, the material is still in good condition and can be upcycled by converting the carpet into rugs. The hardwood flooring can also be reused as long as it is not extensively damaged from the uplift process. This post-consumer product is returned to the Belgotex factory in Pietermaritzburg.



Colle is of the opinion that this new distribution channel has the ability to be the backbone of Belgotex's distribution channel going forward. Colle says that a great way to own a fragmented distribution channel is decentralizing the shopping experience by taking the shop to the people. The data collection from this project and continued engagement with the shop owners will enable the company to scale the number of spaces Belgotex can have access to in Kwazulu Natal alone. Colle says that this will be the case no matter what is traded, the model is not restricted to Belgotex product (Colle, 2019).

#### - THE CLOTHING BANK (TCB)

TCB has strategic partnerships in place with many of South Africa's major retailers (Woolworths, Edcon, MRP, Pick 'n Pay Clothing, Clicks, The Foschini Group, Truworths and Checkers) who donate their excess merchandise to the two programmes that the organisation runs uses as an income generation in their Clothing Bank and Appliance Bank programmes. They use the customer returns, store damages, end of season and bulk rejection stock to inspire previously disadvantaged unemployed mothers and men to start small, informal retail trading businesses (Price-Carr, 2019).

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*"We believe that becoming a self-employed business owner is something everyone can do, irrespective of their education levels and resources, as long as they are self-motivated and well supported (mentally and emotionally). We have developed a holistic eco-system, which successfully engages families living in poverty to chart a path out of poverty. Our projects have been changing lives for the last eight years" (The Clothing Bank, 2018).*

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This intervention pilots a new process where, through a combined development strategy, Belgotex's waste management supplier, Waltex, sorts the waste into reusable and unusable product. The reusable product goes through a latex softening process so that it can be cut up into rugs. Waltex's seasoned team overlays the rugs to prevent fraying and to add an aesthetic touch to revive the product. The rugs are transported to minivendors who sell the product from their shops or streetside. The rugs are made available at an affordable price to ensure that as many households as possible have access to product that provides warmth in

homes during winter as well as adding beauty when low-income households have freedom to choose the rugs that most suit their homes. The Clothing Bank bartered a portion of excess clothing stock for flooring and have provided access to their renowned Me & My Money course for the vendors at an affordable price to the Belgotex Foundation. The minivendors have used the clothing to compliment the rugs in the shop. The clothes were used as a merchandising tactic to attract people to the shop.

The strategic partnership set out to achieve using waste as an income generator for marginalized and vulnerable families without compromising the quality of Belgotex floorcoverings that the families had access to. The product that goes into the formal trade and that which is diverted to the minivendors are of a similar quality once converted into rugs. Also to divert product that still has a use, away from landfill lessens the company's carbon footprint. The strategic partnership also sought to create further employment in the supply chain that gets the product to where it needs to be. Approximately 5000 square metres of Belgotex product was diverted from landfill in the period measured. The carpets were overlocked and dispatched to the minivendor programme. Enterprising activity and job creation was generated in the distribution and stock management component of the programme. Profit of at least R100,000 was earned in the Belgotex pilot project. This is calculated at a profit margin of R10 per square metre sold.

#### *3.3.1.4 CASE STUDY THREE: SKILLS IN TRADES SECTOR*

**STRATEGIC PARTNERS:** BELGOTEX, BELGOTEX ACADEMY, CETA

**PURPOSE OF STRATEGIC PARTNERSHIP:** To develop technical and entrepreneurial skills in the floorcovering industry.

#### **BACKGROUND TO THE INVESTMENT APPROACH AND ALIGNMENT TO SOCIAL ISSUE**

Belgotex recognizes the role artisans play in growing the South African economy, especially in combatting the country's high unemployment rate that leaves youth disempowered and unable to contribute to society in a meaningful way. Belgotex is particularly reliant on quality installation of their product to ensure that customers receive the experience and longevity associated with the Belgotex brand. It is expected that investing in owner-run

microenterprises will build skills capital and catalyze income generation through preferred access to the Belgotex product and technical team.

The types of investments that Belgotex makes are in vehicles, tools, personal protective equipment and rigorous business development mentorship. The investments are a combination of interest free loans, grants and skills development funding. Belgotex actively provides market access to the emerging installation companies with oversight from the technical team while they polish and improve skills in a variety of floorcovering installations. In the initial period after qualifying as floorcovering installers in the Belgotex Academy, contractors build a portfolio of work required to successfully seek commercial and residential work. A barrier to sustainability that small enterprises face is limited resource required to maintain good governance. Underwriting the sustainability of these enterprises, Belgotex dedicates an equal amount of support in the back-office, strategic oversight and business development skills as it does in the technical aspects.

According to Edward Colle, Belgotex product complaints have decreased year on year. It is believed that the Belgotex Academy has played a significant role in achieving this reduction (Colle, 2019). It is therefore expected that the long term impact of this project will also be a reduction in claims.

#### *3.3.1.5 CASE STUDY FOUR: FOOD SECURITY*

**STRATEGIC PARTNERS:** BELGOTEX, AGRINNOVATION AND AGRI-SETA

**PURPOSE OF STRATEGIC PARTNERSHIP:** To invest in the set-up of an agri-skills development enterprise that can deliver on food security objectives at all socio-economic development projects.

#### **BACKGROUND TO EACH INVESTMENT APPROACH AND ALIGNMENT TO SOCIAL ISSUE**

Food security is fundamental to the growth and wellbeing of South Africans, particularly the nation's children. Malnutrition in children can lead to long-term learning difficulties and stunting of cognitive processes (Kar, Rao, & Chandramouli, 2008). KZN is privileged to have nutrient rich and fertile soil and so it seemed natural for Belgotex to envision food in

abundance and available to all. Sustainable Development Goal #2 (Zero Hunger) suggests that food security directly impacts poverty eradication and is therefore key to successful social investment (United Nations, 2018). One of the DG Murray Trust's latest reports states that *"Zero-stunting would allow a million more young children to thrive each year and increase GDP by at least 2%"* – (DG Murray Trust, 2018). The report provides a visual representation of the business case behind investing in food security in South Africa and the importance of making sure families have food security starting from a mother's pregnancy right through to the child joining the economically active population as an adult. This is the impact that the strategic partnership is aiming for.

Belgotex's shared value approach requires food security activities to follow a permaculture approach. Geoff Lawton defines permaculture clearly as:

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*"the conscious design and maintenance of agriculturally productive ecosystems which have the diversity, stability, and resilience of natural ecosystems. It is the harmonious integration of landscape and people — providing their food, energy, shelter, and other material and non-material needs in a sustainable way."* – Geoff Lawton (Holmgren, 2018).

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Agrinnovation is a start-up business that Belgotex invested in, and was tasked to embed food security in Belgotex's social investment projects. In particular, the vegetable gardens at the early childhood development centres are key to ensuring that the children receive their daily nutrient intake. In order to make this model sustainable, Agrinnovation have implemented an accredited learning programme where unemployed individuals are taught crop production using permaculture principles. The long term effectiveness of this learning programme in year one has shown that further quality control and monitoring and evaluation is required on an ongoing basis. The training itself is not enough.

This intervention has the specific objective of enabling small-scale farming within the community, starting with the educentre's own garden and seedling production tunnel. Agrinnovation's second deliverable was to create market access and a distribution channel

within the community to ensure that food security results in income generation. Over the measured period of this study, it was found that the farmers accessed their own markets within community selling to neighbours, however in order to scale the programme the issue of market access and distribution channel needs further research.

Fundamentally, sustainable access to local fresh produce for beneficiaries is Belgotex's priority. Second to this is small- scale farmers growing beyond subsistence farming and to supply neighbours and small shops with food that is sustainably farmed, environmentally friendly and safe for human consumption (Mnotho, 2018). These priorities are measured by recording the amount of food used for consumption in the home and also by the early childhood development centre itself. The income is recorded from selling excess product both from the ECD centre and at the small-scale farmer's homes.

#### *3.3.1.6 QUANTITATIVE:*

The target population were individuals living in under-resourced areas, they were unemployed, marginalized and vulnerable and may have other barriers to enter the formal economy. Both men and women were sampled in order to avoid a gender-biased result. Cultural heritage or race are not prerequisites to enter the sample. The research is restricted to those individuals who benefitted directly from the interventions. The data analysis is dependent on participants having completed at least two Poverty Stoplight assessments over a twelve- month period. Therefore, in order to produce results that are statistically significant, the entire population of individuals who fit this criterion has been chosen.

Those beneficiaries who have not completed at least two assessments a minimum of twelve months apart, were not able to contribute to the study due to availability of data. The population evaluated has passed a rigorous due diligence process performed by the investing partners at the start of the interventions, no research will be conducted on participants who are not clearly defined beneficiaries of the project. The process of data collection and quality of life sensitization cannot be done in isolation, therefore only participants of the projects studied could be included in the sample.

**TABLE 3: SOURCES OF DATA - POPULATION ONE**

POPULATION 1	CASE STUDY
6 families	WASTE BENEFICIATION
2 families	TRADES
1 family	EARLY CHILDHOOD DEVELOPMENT
1 family	FOOD SECURITY

### **3.3.2 DATA COLLECTION AND DATA COLLECTION INSTRUMENTS**

During an in-depth examination of four comparative interventions using a combination of asset-based investments, data was collected through interviews, documents, reports, observations, surveys and financial information provided to the primary researcher. The data collection was undertaken by the primary researcher, key people representing collaborative organizations and a social worker involved in the projects. This combination provides all relevant data from a range of perspectives involved in each intervention. All data received is direct from source and retrieved in a standardized way (see Appendices for questionnaires).

#### **3.3.2.1 QUALITATIVE DATA:**

The primary researcher was reliant on data received from the collaborative partners who have monitored and evaluated each project.

For each intervention, the following qualitative data was collected:

- a. List of Collaborative Partners
- b. An understanding of the investor's strategic motivation (if any) will be documented.
- c. An understanding of each investment plan using the Theory of Change Outcomes Framework
- d. Description of beneficiaries studied
- e. Return on Investment Indicators applicable to the intervention where possible and reliable.

The ***Theory of Change*** is represented in the Outcomes Framework format. The Outcomes Framework must specifically identify the long-term goals of the intervention. (Aspen Institute, 2004). It answers the questions:

1. *What is the context of an individual/organization when the donor begins investing in their area?*

2. *What is the context of an individual/organization when the investment period ends?*

The framework includes the following key areas:

**TABLE 4: COMPONENTS OF THE OUTCOMES FRAMEWORK AND THEMATIC ANALYSIS**

<b>INPUT</b>	The resource that was put into the project
<b>ACTIVITIES</b>	A set of interventions performed that lead to the desired outcomes (Aspen Institute, 2004).
<b>OUTPUT</b>	The direct results from the set of interventions. There is little depth in these results and they are generally quantitative in nature.
<b>OUTCOMES</b>	What the project set out to achieve. These results have depth and are able to illustrate the shift in quality of life of the person. Results are generally both qualitative and quantitative in nature.
<b>MEASUREMENT</b>	A Set of Indicators determines the degree of change in the target population that must happen in order for the analyst to declare an outcome successful or not. (Aspen Institute, 2004). Qualitative data is collected through interviews and reports conducted with the strategic partners. Social worker's narrative report that accompanies the Poverty Stoplight results is also used to build on the qualitative findings.
<b>IMPACT</b>	Long term. What has permanently changed?

**3.3.2.2 QUANTITATIVE DATA:**

A questionnaire was created once the common set of themes were identified during the qualitative data collection. The questionnaire attempts to collect data to answer Research Questions two and three in line with common themes. The sample selection process as well the personal interview data collection method ensured between an 80% to 100% response rate, adding validity to the conclusion inferred from the statistical analyses (Keller, 2014). The sources of data are the beneficiaries. No secondary sources of data are used in an attempt to bolster both the reliability and validity of the data.

**3.3.3 MEASUREMENT AND DEFINITION OF CONCEPTS/VARIABLES**

**3.3.3.1 QUALITATIVE:**

The construct examined is poverty. Poverty is multidimensional and in this study the dimensions identified include: Income and Employment, Health and the Environment, Housing and Infrastructure, Education and Culture, Organisation and Participation, Self-awareness and Motivation. To determine how the construct is impacted, the type of

interventions that lead to the outcome of reduced poverty need to be understood. The investment approaches are captured on a conceptual framework from which to determine the quantitative measurement tool.

### 3.3.3.2 QUANTITATIVE

Poverty Stoplight has been chosen because it is data driven and allows families to diagnose their own poverty status. This achieves two objectives: the family faces and accepts their own status and their poverty status is diagnosed within their context. It is not prescriptive and the survey is designed and facilitated in a way to extract truthful answers out of families (Poverty Stoplight, 2016). Results are regularly published so accessing the data was achievable for the purpose of this study.

- 1) The Poverty Stoplight Indicators are used to understand a family unit's quality of life within a standardized framework.
- 2) The Monthly Budget is used to find out what the family unit is earning and then spending their earnings on.
- 3) Financial and Physical Assets is used to find out what the family owns and can use. These assets reflect the stability of the family and the family's ability to withstand shocks to their micro-economy. Some assets can be used to generate an income or resource such as food.
- 4) Liabilities determines the overall and monthly debt obligations that the family has.
- 5) Dependents determines how many people the family income is required to sustain. It also determines the economic active participants in that family.

## 3.4 CONSTRUCTS EVALUATED IN THE POVERTY STOPLIGHT RESULTS:

*Construct One: Income and Employment* measures income and earnings over the poverty line, stable employment and income sources, access to credit facilities, family savings and personal identification (Poverty Stoplight SA, 2015).

*Construct Two: Health and Environment* measures access to drinking water, quality health care centres, nutrition, personal hygiene, physical health, vaccines, sexual health and family



planning, parenting, garbage disposal, unpolluted environment, alcohol and drugs (Poverty Stoplight SA, 2015).

*Construct Three: Housing and Infrastructure* measures legal property rights, home structure, sanitation and sewerage, electricity, refrigerator and household appliances, separate bedrooms, stove and kitchen, basic household standards, regular means and transport, distance and time to work, security and clothing (Poverty Stoplight SA, 2015).

*Construct Four: Education and Culture* measures literacy in English, children enrolled in school until Grade 12, access to quality education, school transportation/supplies/uniforms/books, knowledge and skills to generate income, capacity to budget and plan, social networks, access to information and means to communicate, entertainment and recreation, cultural traditions and heritage, respect for other cultures, awareness and human rights (Poverty Stoplight SA, 2015).

*Construct Five: Organisation and Participation* measures influence on the public sector, ability to solve problems and conflicts and registration to vote in elections (Poverty Stoplight SA, 2015).

*Construct Six: Self-awareness and Motivation* measures awareness of needs, self confidence and self esteem, moral values and conscience, awareness of own and other people's emotions, appreciation of nature and beauty, violence against vulnerable people and entrepreneurial spirit and motivation (Poverty Stoplight SA, 2015).

The units of analysis used are numeric. The following tables and diagrams show examples and data coding methods applied to the responses expected from the sample participants. In particular, data coding is used for the Poverty Stoplight results to measure the number of green, amber and red categories. The poverty stoplight tool has 50 indicators which are divided into 6 constructs shown above. For each indicator, three visual representations and explanations are presented to the participant. There is one for each of the green, amber and red responses. The participant chooses the one that most represents their current status. The facilitator is imperative to the process by drawing out truthful responses even when the

family may be in denial about their current status. After the participant has selected the visual representation most applicable to them on all 50 indicators, the tool adds up the number of reds, ambers and greens in a simple format used for reporting.

**TABLE 5: POVERTY STOPLIGHT DATA CODING**

CATEGORY	COLOUR	DATA CODE USED
Not Poor	GREEN	3
Poor	AMBER	2
Very Poor	RED	1

Table 7 summarizes the categories dealt with in the quantitative questionnaire. This questionnaire extracts detail that cannot be captured in the Poverty Stoplight tool.

**TABLE 6: QUANTITATIVE QUESTIONNAIRE CATEGORIES**

CATEGORY	MEASUREMENT	SCALE USED
Quality of Life	Poverty Stoplight Diagnostic	Likert scale
Monthly Family Budget	A break down of each income and expense incurred by the family per month at the date of assessment	Actual figures used
Financial Assets	The value of assets accumulated	Actual figures used
Liabilities	The minimum monthly debt obligation payable	Actual figures used

### 3.4 DATA ANALYSIS APPROACH

#### 3.4.1 QUALITATIVE

From the interviews and the reports, an Outcomes Framework is completed for each case study. The Outcomes Framework is in tabular format and organises the data for each case study in a standardized way. This allows the researcher to analyse the qualitative data effectively and draw out a common set of themes that are applicable to at least two out of the four case studies. From this, the themes that are applicable across all four case studies are identified as the primary informants of the quantitative questionnaire. The common set of themes enables the researcher to create a standardized data collection instrument. Table

3 provides the Outcomes Framework template that is populated for each case study. The study adopted the six step processes of thematic analysis by Braun and Clarke (2006) described below as:

Phase 1: Familiarizing with data

Phase 2: Generating Initial Codes

Phase 3: Searching for Themes

Phase 4: Reviewing Themes

Phase 5: Defining and Naming Themes

Phase 6: Producing the Report

### **3.4.2 QUANTITATIVE**

The completed questionnaires were reviewed to determine which data sets were most reliable. Those that are most reliable and standardized in how they were answered were used in the data analysis. Data that is conflicted or appears to be incorrect or misunderstood, was omitted. Both the qualitative and quantitative data was integrated to provide depth of understanding from which to draw conclusions and recommendations for further study. In effect, the qualitative data was used to humanize the quantitative data.

### **3.4.3 ANALYTICAL FRAMEWORK**

#### ***3.4.3.1 DESCRIPTIVE STATISTICS OF THE DATA***

Through organising the descriptive statistics, a baseline is created for graphing results to make it easier for the reader to grasp the quantitative results in a visual way. These statistics are also required for the regression analysis to determine correlation coefficients. An entire population is measured which requires the mean, standard deviation and variance to be calculated using formulas applicable to a population and not a sample.

#### ***3.4.3.2 CONSTRUCT VALIDITY***

##### ***3.4.3.2.1 CONTENT VALIDITY***

The literature review shows evidence to support that poverty is multidimensional, requiring a specific way of measuring a set of indicators to conclude whether a person is in poverty or not. The Poverty Stoplight Assessment was chosen for the purpose of the projects studied. Cronbach's coefficient is used to test the internal reliability of data collected using the Poverty

Stoplight tool. A result over 0.7 will determine that the data is reliable. (Statistics Solutions, 2019). The Likert scale of the Poverty Stoplight survey is one to three. Three corresponds to the red representation of “very poor”. Two relates to amber, a representation of “poor”, and one relates to green, representing “not poor”. The results from the survey were used to determine Cronbach’s Alpha.

#### **3.4.3.2.2 CONVERGENT VALIDITY**

The study is measuring a construct, Poverty, so the researcher can use convergent and divergent validity by finding the correlation coefficients when analysing the data sets. If the correlation coefficient between two variables is higher than 0.7, convergent validity can be claimed. If there is no correlation, the researcher can claim discriminant validity (Lund Research Ltd, 2012).

#### **3.4.3.2.3 CRITERION VALIDITY**

The Poverty Stoplight tool is considered a well-established tool extensively used across the globe. The interview questionnaire provides an extension of detail to the economic indicators of the Poverty Stoplight tool by finding data on the family finances and spending patterns. The tools are theoretically related in that they measure the same economic indicators (Lund Research Ltd, 2012). Since the Poverty Stoplight Tool and the Interview Questionnaire is performed at the same time, concurrent validity is tested. The purpose of adding the interview questionnaire is to link the Poverty Stoplight results to impact on the local economy where the interviewee lives. This linkage is required to answer Research Question Three.

### **3.5 LIMITATIONS OF DATA AND METHODOLOGY**

The units of analysis were chosen based on the possibility of attaining the information first hand. Minimal secondary data has been used in this study in an attempt to exclude any limitations that would arise from inconsistency risk associated with using secondary data. All projects selected for study are those that the researcher has personally project managed and implemented as part of pilot development programmes funded by private companies. This means that both the quantitative and qualitative data are extracted from an in-depth understanding and perspective of the projects combined with long-standing relationships with beneficiaries. The feedback and answers provided by interviewees are therefore more likely to be truthful and accurate than in the case where the researcher had chosen to study projects where interviewees were unfamiliar with the researcher and the intentions of the

study. The researcher was also able to prompt the participant when they did not understand a question or where the researcher was concerned that the participant was not disclosing enough information.

The Poverty Stoplight diagnostic is not prescriptive and the survey is designed and facilitated in a way to extract real answers out of families (Poverty Stoplight, 2016). However, trustworthy results are seen when a suitably qualified person has facilitated the assessment with the family as a support structure to face aspects of their poverty status that they may not be ready to come to terms with on their own (Bergh, 2019). Therefore, one limitation that could arise is incongruency in answers resulting from different social workers facilitating the assessment. Incongruency could also be experienced if the facilitator is not a suitably qualified and trained individual approved by the Poverty Stoplight SA Office. Therefore, for the purpose of this study, the same social worker facilitates all the assessments and is trained and approved by the Poverty Stoplight SA Office.

Results of surveys nationwide are regularly published so accessing the data is achievable for the purpose of this study. However, the depth and truthfulness of the Poverty Stoplight survey is reliant on the social worker's effectiveness in asking enough questions to arrive at the most relevant answer. Many families are shy to disclose personal information. The role of the social worker is to create a safe space and foster trust and respect in order to encourage transparency and full disclosure of the information required. All surveys are done using geographic location as well as ID numbers. No ID numbers are disclosed for the purpose of this study, however, and only the first names of beneficiaries are disclosed, with permission.

Another limitation is the completeness of information. It may not be possible to receive all information from each family unit. In this case the primary researcher determined intervals to group information received. Where there is missing information the primary researcher used imputation to generate an estimated value.

### 3.6 SUMMARY

The ability to collect and analyse both qualitative and quantitative types of data provides a better understanding of the complex issue of poverty. The research design, selection of an entire population, instrument development and data analysis methods enables a Mixed Methods approach. The order in which the data is collected and the intention behind the data collection satisfies the exploratory sequential research design parameters. Although the volume of qualitative data is vast, Mixed Methods allows the researcher to carefully select the data that humanizes the quantitative data and, in this way, is able to present far more robust findings and conclusions to the reader.

## CHAPTER 4: DISCUSSION OF FINDINGS

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### 4.1 INTRODUCTION

This chapter presents an overview of each investment approach from the perspective of the Theory of Change framework. Through the interview process and reports on each of the cases, a clear TOC framework has been documented for each case study. The purpose is to provide a standardized format from which to identify common themes in the thematic analysis. The projects were studied from inception to one year after completion. Thus, at least one year of data has been collected per project. However, the long term impact of each project cannot be measured in a 12 month period and is presented as projections rather than real results.

### 4.2 QUALITATIVE FINDINGS: THEMATIC ANALYSIS

#### 4.2.1 INPUTS

The themes identified across the case studies presented the following commonality in inputs; Infrastructure, Technical Capacity and Business Development. Infrastructure in some form of asset aligned to an enterprising activity, is enhanced through technical skills and development in the entrepreneurial capacity required to take advantage of a real income generation opportunity.

#### *4.2.1.1 INFRASTRUCTURE*

Infrastructure is a physical structure required to enable an activity. The anchor partners in each project invested in various forms of products and services that included innovative mobile space solutions that deliver a secure environment through which social, human and natural capital development programmes can be implemented (ContainerWorld, 2020), flooring that provides a solution to keeping spaces more hygienic, easily maintainable and creates a bright and enthusing space for learning and development. The infrastructure design included research, input from the stakeholders using the site into, contextual analysis of the landscape and community the project was in and lastly thorough consideration of impacts which ensures that the final product was purpose and people orientated as well as environmentally sensitive (Lead, 2016).

To support this, Edward Colle, CEO of Belgotex states

“the fact that Belgotex makes product that is ideal for use in early childhood development centres, is an added benefit. The least the company can do is offer these products to create beautiful spaces, improve hygiene, maintenance and accessibility for children with disabilities. The fundamental purpose is to invest in each child’s starting chance.” (Colle, 2019)

#### *4.2.1.2 TECHNICAL CAPACITY*

Technical capacity is the human ability/knowledge/experience in conjunction with a system to achieve a desired outcome. Technical capacity was found to be a fundamental requirement across the case studies. Various technical trainers were responsible for transferring industry-specific skills required to enhance the enterprises ability to access work. Examples include accredited early childhood development teacher training, social worker support, floorcovering and agricultural accredited training. Other forms of technical capacity include registration and compliance with regulatory bodies such as Department of Social Development, the Companies and Income Tax Act. Technical capacity in disability inclusion was specifically focused on as well so that caregivers can interact with and stimulate children across the spectrum of abilities and needs.

“Belgotex product complaints have decreased year on year. It is believed that the Belgotex Academy has played a significant role in achieving this reduction” (Colle, 2019).

#### 4.2.1.3 BUSINESS DEVELOPMENT

Business development is input in growing or improving the enterprising activity. Development methods of the businesses was diverse because the enterprising activities covered a broad spectrum of industries. Business development included franchising methods, fragmenting distribution channels and small owner-managed operating methods. Although the types of businesses were vastly different, the underlying principle of rigorous business mentorship appeared to underly each case study. Formalisation of the enterprises was also a prominent feature in each of the case studies. This went hand in hand with compliance with regulatory bodies and good governance principles. Tracey Chambers, CEO of GROW Educare Centres explains

“the business model provides the school owner with everything she needs to operate a quality and financially viable school” (Chambers, 2019).

The model includes a significant investment of time in intensive teacher training, business mentoring and coaching in order for the school owner and her staff to effectively deliver quality education outcomes with financial sustainability outcomes simultaneously.

#### 4.2.2 ACTIVITIES

The themes identified in the case studies presented the following commonality in activities which directly relates to the inputs namely financial and technical support services.

##### 4.2.2.1 FINANCIAL SERVICES

Financial services include loan or grant investments. Financial support was required to enable the infrastructure and technical skills listed as inputs. For the case studies with extensive technical training, travel support was provided. Financial support and services begin with enabling unemployed, and already vulnerable individuals, a small daily amount as a travel allowance to ensure that money intended for food and education for children, is not used for training requiring taxi fare to attend. The nature of SMME’s ability to access finance requires



partners to consider forms of soft-financing that commercial lending institutions do not offer. Extra elements of risk exist when financing SMME's, especially start-ups, which typically makes credit unaffordable through banks. Capital investment in vehicles and tools for example would fall within this bracket. Infrastructure for early childhood development in particular was done on a grant basis due to the magnitude of the investment and the purpose of the investment. Protection of the asset's use needed to be sheltered within the enterprise structure and management model. From the short measurement period, the effectiveness of financial support cannot be commented on. From Case Study 2, some types of investments include are in vehicles, tools, personal protective equipment and rigorous business development mentorship. The investments are a combination of interest free loans, grants and skills development funding.

#### 4.2.2.2 *TECHNICAL SUPPORT SERVICES*

Technical support relates to the skills and capacity dedicated to the design and implementation of the business inputs and quality of training provided. The technical support services required collaboration and contribution from expert service providers who were able to provide the right kind of support for the duration of the project or programme. Technical support services also included prtnerships with experienced individuals who, over a long period of time, are able to provide the guidance and insight on a day to day basis that otherwise, under normal circumstances, the enterprise would never have known how to access or would have cost a significant amount to access. Case Study 2 provides an eample of this where emerging installation companies receive oversight from the technical team while they polish and improve skills in a variety of floorcovering installations. In the initial period after qualifying as floorcovering installers in the Belgotex Academy

#### 4.2.3 **OUTPUTS**

The themes identified in the case studies presented the following commonality in **outputs**; tangible, intangible and livelihood related. Outputs are one-dimensional units and do not signal a long lasting change in the root cause of the problem that is being addressed in each case study. The tangible outputs relate to assets and operational business resources.

Intangible relates to the skills and human capital acquired from investing in training and development. Livelihoods relates to jobs and/or entrepreneurial income secured through inputs and activities.

#### *4.2.3.1 TANGIBLE*

Tangible outputs are those that can be seen and touched by humans. As it relates to tangible assets and business resources, the design approach was key to addressing the root cause. A noteworthy example being Lead Architects’

“user-centred approach in designing each educentre that is site and context specific. Each site, therefore, requires its own analysis and research in order to design an Educentre that is fit for purpose and in line with the Department of Social Development legislation” (Lead, 2016).

The purpose of the infrastructure is to enable the activity that addresses the purpose behind the investment. It therefore needs to earn a return, either social or economic.

#### *4.2.3.2 INTANGIBLE*

Intangible outputs from the case studies include the skills capital accumulated in each enterprise to access and keep work in a variety of industries. This includes technical skills from formal training, industry knowledge gained from peers and expert partners and lastly experience gained from accessing work in the sector. One of the intangible outcomes that the case studies document is that of Food Security. Sustainable Development Goal #2 (Zero Hunger) suggests that food security directly impacts poverty eradication and is therefore key to successful social investment (United Nations, 2018).

#### *4.2.3.3 LIVELIHOOD*

The third output is livelihoods created. Livelihoods resulted from new distribution channels, new market access opportunities and growth in business. A livelihood can be defined as any consecutive monthly income earned by an individual, whether they are self-employed or employed by somebody else. Measuring livelihoods created suggests that the quantitative findings should seek to measure the impact on spending power in the economy. Again, since the measurement period is only 12 months, it is not possible to infer in this study whether those livelihoods were sustainable and ongoing beyond that mark.

#### 4.2.4 OUTCOMES

The themes identified in the case studies presented the following commonality in outcomes that resulted from the activities undertaken; production, quality and stability. Outcomes are multi-dimensional effects which suggest a long term systemic change to the root cause.

##### 4.2.4.1 PRODUCTION

This outcome collects the instances where participants were able to become producers in their economies by offering or selling a product or service. These include using post-industrial waste as an income generator for marginalized and vulnerable families; installation of multiple types of flooring residentially and commercially, the early childhood development centre producing a quality education service and small-scale farmers able to produce and sell fresh produce. In each case study, a clearly defined production process was defined as a result of the enterprising activity.

##### 4.2.4.2 QUALITY

Quality collects evidence where stakeholders recognise the improved quality in product and service that the participants provide. Quality in outcome was recorded in a variety of forms. From an education perspective this would include quality of practice in inclusive early childhood development, less absenteeism and more input from parent body. In the floorcovering industry, the installers had confidence in taking on work knowing a technical expert was on standby to refine skills with each installation. This meant an improved workmanship benefiting the enduser. Quality in crop production was required to effectively grow food that can be sold to produce both an income and nutrition. The quality of practice was dependent on the quality of technical capacity partners who transferred skills and monitored quality control methods in each case. Tracey Chambers, CEO of Grow, shares that

“the vision of GROW is to become the largest chain of preschools in South Africa by providing women, who are currently running unregistered substandard creches, with the opportunity to operate a GROW with Educare franchise which offers children from under-served communities excellent quality education that is also a viable business for the franchisee.” (Chambers, 2019).

#### 4.2.4.3 STABILITY

Stability collects instances where the enterprise has experienced a better financial situation and lower volatility in the business operations over at least 12 months. Reduced volatility was seen in terms of lower staff turnover and consistency in income and earnings. Financial stability and consistency suggests that the quantitative findings should seek to measure the impact on quality of life of individuals who benefit from the enterprising activities.

#### 4.2.5 MEASUREMENT

The themes identified in the case studies presented the following commonality in **measurement** of the outputs and outcomes; qualitative and quantitative. Qualitative collects the instances where participants quality of life changed over time through use of the Poverty Stoplight tool and the qualitative questionnaire. Quantitative collects evidence of economic changes in circumstance in the enterprises as a whole.

##### 4.2.5.1 QUALITATIVE – SOCIAL AND ENVIRONMENTAL OUTCOMES

Qualitative outcomes result from the Poverty Stoplight tool that measures quality of life of both employees and the owners of the SMME's. The social worker report assists with narrative that ties the quantitative data together and provides context. For each recipient changes in Health & Environment, Housing & Infrastructure, Education & Culture, Organisation & Participation and finally Self Awareness & Motivation. These are 5 of the 6 Poverty Stoplight constructs which offer results of a qualitative nature. The Clothing Bank in particular have developed an holistic eco-system, which successfully engages families living in poverty to chart a path out of poverty.

##### 4.2.5.2 QUANTITATIVE – ECONOMIC OUTCOMES

The economic outcomes are measured using conventional financial metrics such as turnover, salaries and wages and value of goods and services sold by the enterprises. Changes in turnover from one period to the next, value of work quoted, value of work received, and value of product sold. The value of product sold gives an indication of profit margin from industry standards. Other measurements include change in human resources. The measurement tool of the economic outcome on each participant are presented in the quantitative findings.

#### 4.2.6 IMPACT

The themes identified in the case studies presented the following commonality in impact of the intervention as a whole; Social and Economic Benefits. In general, impact can only be measured on a long term basis, minimum one year after completion of an intervention. Due to the time period over which data could be collected, only expected impacts are documented. Further study is required to determine if the impact was realised.

##### 4.2.6.1 *SOCIAL BENEFITS*

The social benefits anticipate long term societal impact related to education and poverty eradication. The societal benefits include astute business men and women who become positive influencers within their communities and economies, improved social wellbeing of each participant and their families, each child's improved ability to concentrate and learn at school and children growing at a rate expected of their age due to good nutrition.

##### 4.2.6.2 *ECONOMIC BENEFITS*

Economic benefits relate to the broader economic impact on the community as a whole. This impact is related to increased entrepreneurial activity and wealth creation. Impact related to the effect that quality education has on a child's ability to access the economy as an adult includes children with disabilities who, without the intervention, would have been excluded from early childhood development, a necessity to being able to access the economy later on in life. Community-wide economic benefits can be seen in the form of new assets present, ie improved housing and infrastructure, as well as increased monetary circulation within the local economy.

### **4.3 DEVELOPMENT OF MEASURING INSTRUMENT FOR QUANTITATIVE FINDINGS**

The case studies are laid out according to the outcome framework template. This template required a specific process of collecting the qualitative data enabling a thematic analysis within the confines of the six dimensions of the outcome framework.

From the above comparison of themes, the questionnaire used for the quantitative data collection must be aligned to the desired outcomes from each case's Outcome framework. The measurement of outcomes provides a baseline from which to find commonality. Commonality of measurement for each framework exists in the form of:

- 1) Change in income
- 2) Change in savings
- 3) Change in debt
- 4) Change in spending power
- 5) Change in value of assets
- 6) Change in bankability i.e.: for how many days does the beneficiary keep money in their bank account.
- 7) Change in skills sets held by family members in the household unit

See Appendices for the resulting Beneficiary Questionnaire. Concurrent to this questionnaire, the Poverty Stoplight tool has been used to measure the change in poverty levels across all 50 indicators of poverty.

### **4.4 QUANTITATIVE DATA ANALYSIS**

#### **4.4.1 RESPONSE RATE**

Out of the 14 households originally identified as participants in the case studies, only 10 had two Poverty Stoplight assessments complete that were reliable and valid according to the Poverty Stoplight Office SA. Therefore, only 10 households could be selected for the purpose of this study. All 10 households took part in the study by providing both the Poverty Stoplight surveys for baseline and Year One, as well as answering the questionnaire formulated from the qualitative data thematic analysis. Therefore, a 100% response rate of the population was achieved from the households who possessed the necessary data required for this study.

#### 4.4.2 SMOOTHING TECHNIQUES USED

The questionnaires were completed by the primary researcher with the help of a qualified assistant in social work and counselling. Some of the responses were provided as annual figures rather than monthly. Where this occurred, the annual figures were divided by 12 to obtain a monthly amount in line with the other answers.

**TABLE 8: DEMOGRAPHIC OF RESPONSE RATES**

PARTICIPANT CODE	CASE STUDY	# IN HOUSEHOLD	GENDER
NS	WASTE	3	Female
JK	FC	1	Male
BZ	ECD	4	Female
TN	WASTE	1	Female
SM	FC	3	Male
SM2	AGRI	8	Male
JM	WASTE	6	Male
CN	WASTE	4	Male
PM	WASTE	4	Female
ZM	WASTE	4	Female
<b>COUNT: 10</b>	<b>COUNT: 5</b>	<b>COUNT: 38</b>	<b>5 Female, 5 Male</b>

#### 4.4.3 TEST OF RELIABILITY: CRONBACH'S ALPHA FOR THE POVERTY STOPLIGHT SURVEY

The Cronbach's alpha for the Poverty Stoplight survey is 0.82 proving a high level of internal consistency among the 50 indicators on the Likert scale. Values of 0.70 or higher on the Cronbach's alpha are generally accepted as consistent and statistically significant (Statistics Solutions, 2019)

**TABLE 9: CRONBACH'S ALPHA COMPONENTS AND RESULT USING POVERTY STOPLIGHT DATA**

# of questions	50
sum of item variances	6.73
variance of total scores	34.09
Cronbach's Alpha	<b>0.818961</b>

For each of the 50 indicators used to measure the six constructs, a visual representation as well as definitions for each available answer, that most accurately describes the family's situation, is shown and explained to the participant. These answers are categorized into red, yellow and green per the Poverty Stoplight categories described in the methodology. The table below present the descriptive statistics for the first set of results compared to the second set of results. The difference between year one and year two are also presented to highlight progress or regress in results.

**TABLE 10: DESCRIPTIVE STATISTICS POVERTY STOPLIGHT DATA**

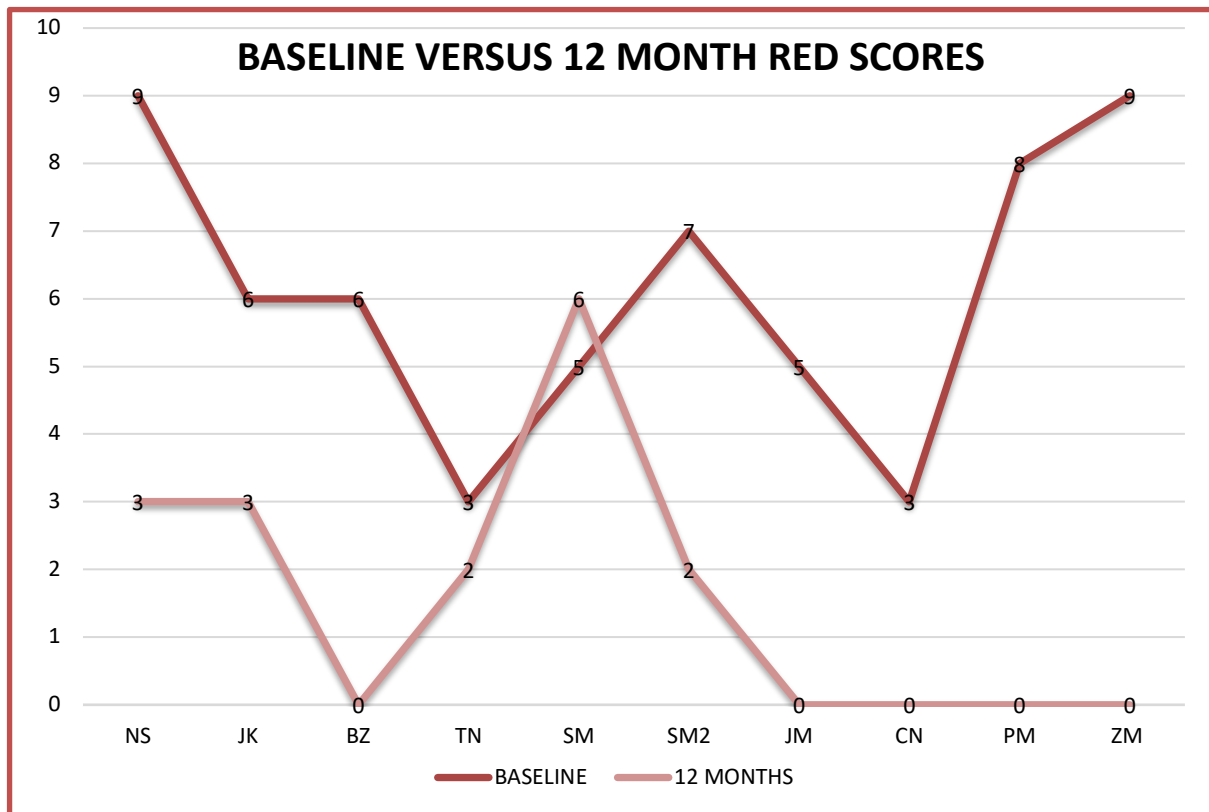
	Mean	Std Dev	Min	Max	Observations
<b>YEAR ONE OF POVERTY STOPLIGHT DATA</b>					
Income & Employment	1.520	0.270	1	3	5
Health & Environment	1.055	0.202	1	3	11
Housing & Infrastructure	1.158	0.128	1	2	12
Education & Culture	1.142	0.242	1	3	12
Organisation & Participaton	1.300	0.445	1	3	3
Self Awareness & Motivation	1.057	0.232	1	3	7
<b>BASELINE OF POVERTY STOPLIGHT DATA</b>					
Income & Employment	2.085	0.081	1	3	5
Health & Environment	1.305	0.276	1	3	11
Housing & Infrastructure	1.375	0.111	1	3	12
Education & Culture	1.583	0.124	1	3	12
Organisation & Participaton	1.467	0.377	1	3	3
Self Awareness & Motivation	1.229	0.232	1	3	7
<b>DIFFERENCE</b>					
Income & Employment	0.565	-0.189	0	0	5
Health & Environment	0.25	0.074	0	0	11
Housing & Infrastructure	0.217	-0.017	0	1	12
Education & Culture	0.441	-0.118	0	0	12
Organisation & Participaton	0.167	-0.068	0	0	3
Self Awareness & Motivation	0.172	0	0	0	7

The results in Table 10 are further explained visually by way of the below graphs.

The **BASELINE VERSUS 12 MONTH RED SCORES** graph below, shows the baseline scores for each household as well at the 12 month scores. By inspection, the number of red scores has diminished for each family unit as can be seen between the lighter red versus the darker red lines. 90% of the results show higher baseline scores.



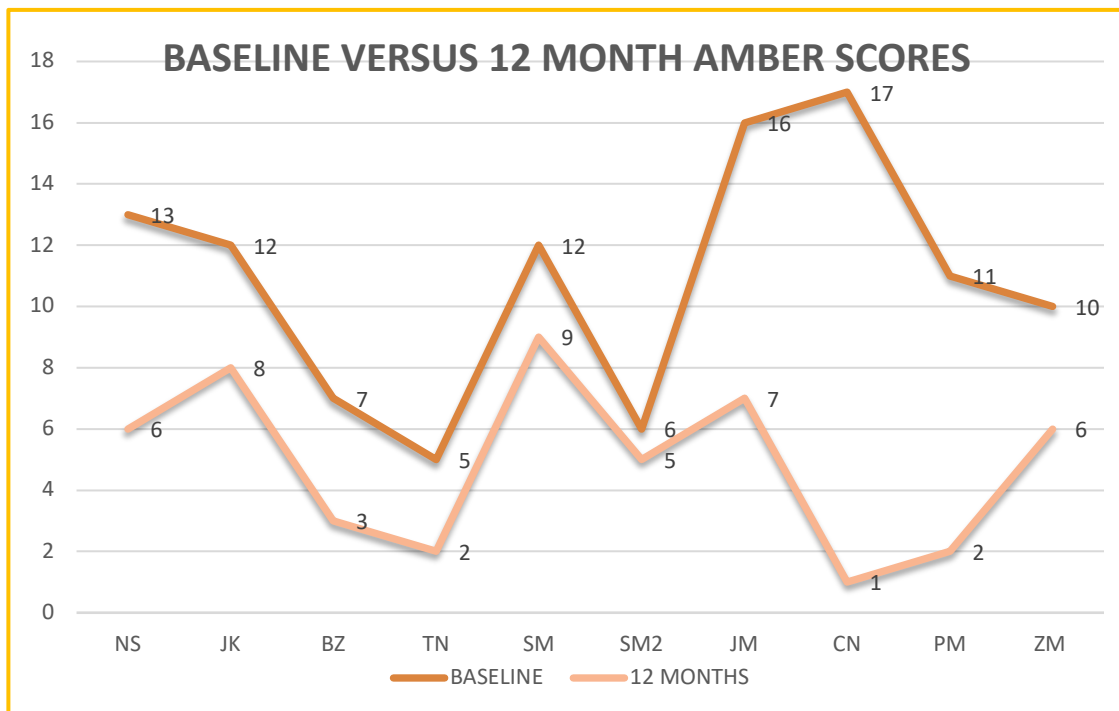
**GRAPH 1: BASELINE VERSUS 12 MONTH RED SCORES**



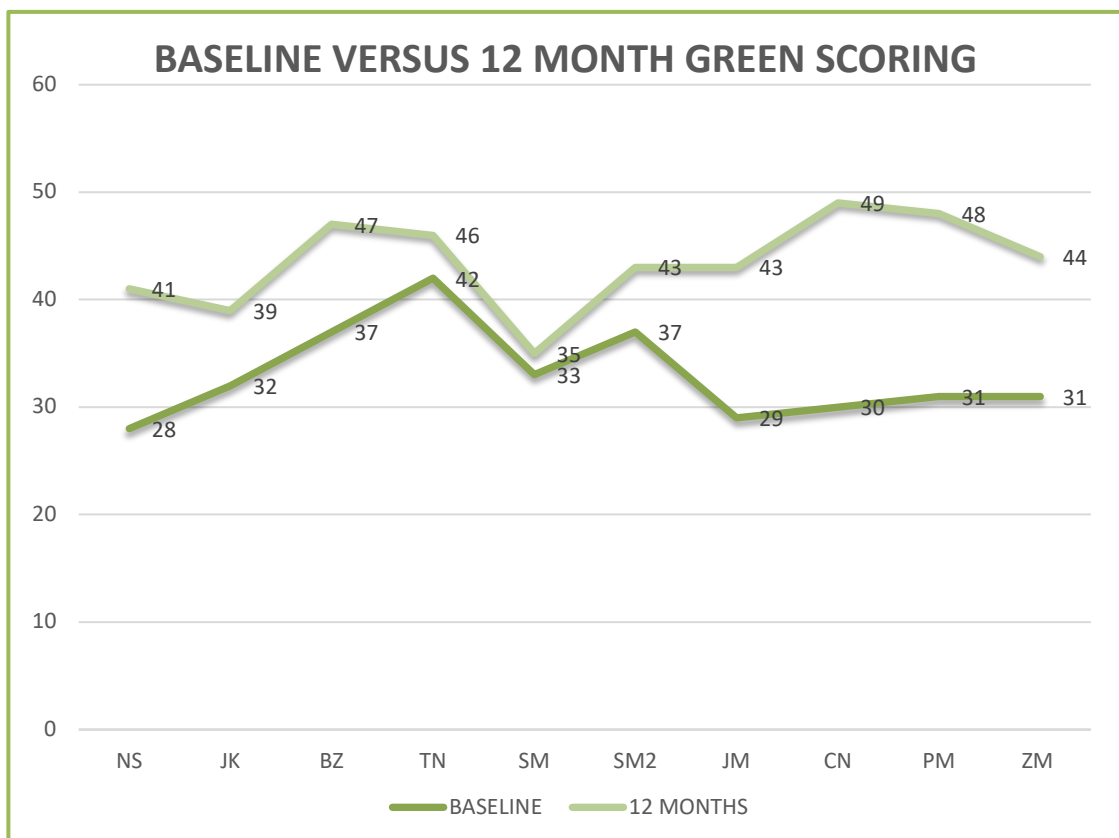
The **BASELINE VERSUS 12 MONTH AMBER SCORES** shows the baseline scores for each household as well as the 12 month scores. By inspection, the number of amber scores has been reduced for each family unit as can be seen between the lighter amber versus the darker amber lines. 100% of the results show higher baseline scores.

The **BASELINE VERSUS 12 MONTH GREEN SCORES** graph shows the baseline scores for each household as well as the 12 month scores for each household. By inspection the number of green scores has increased for each family. 100% of the results show lower baseline scores.

**GRAPH 2: BASELINE VERSUS 12 MONTH AMBER SCORES**



**GRAPH 3: BASELINE VERSUS 12 MONTH GREEN SCORES**

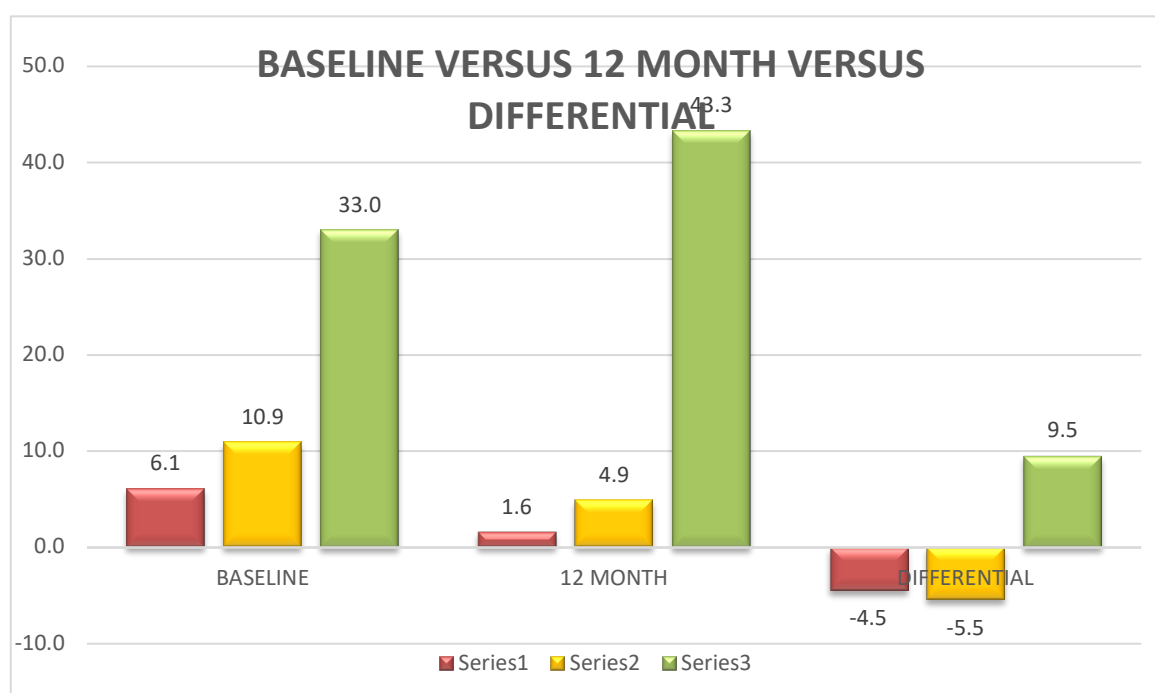


The results were tested over the investment time period. Results from before and after the investment was made were collected. The mean of red indicators before the investment was 6.1, as seen in the Table of Poverty Stoplight Results and Statistical Analysis.

This Z score prescribes a probability of 93.94%, i.e. the P-value is 0.006. Therefore 93.94% of the probability is within 1.55 standard deviations of the mean. If the null hypothesis is true, there is only a 6% chance of obtaining a result in line with the null hypothesis. Therefore, the null hypothesis is rejected. The same result is inferred for both the amber and green results.

The **BASELINE VERSUS 12 MONTH VERSUS DIFFERENTIAL** graph shows by inspection that the change in red and amber scores is negative by a cumulate amount that is approximately equal to the change in green scores in the opposite direction. The correlation coefficient between the differential of red and green is 0.64 which suggests a strong positive correlation.

**GRAPH 4: BASELINE VERSUS 12 MONTH VERSUS DIFFERENTIAL**



The table below summarizes data required to test Research Hypthesis Three. By inspection, the results show an overall positive contribution to the economy. Although lower debt payments imply lower interest earning potential by financial institutions, the participant is

better off by having more money available for spending. The narrative captured in the questionnaire shows that an increase in disposable income is used to pay for better education for the children in the family unit.

**TABLE 12: RESEARCH OBJECTIVE 3 RESULTS AND STATISTICAL ANALYSIS**

		MEAN	MEDIAN	VARIANCE	STD.DEV
INCOME	BASELINE	R3,018.75	R1,200	22791210.94	4774.01
	YEAR 1	R8,025	R5,400	34711875	5891.68
	% CHANGE	7.55%	4.97%	75.33%	
SAVINGS	BASELINE	R0	R0	0	0
	YEAR 1	R2,736.19	R1,250	14695715.65	3833.50
	CHANGE	R2,736.19	R1,250	14695715.65	3833.50
DEBT	BASELINE	R595.83	R208.33	688246.53	829.61
	YEAR 1	R516.25	R65	548098.44	740.34
	CHANGE	-22%	-20%	34%	
SPENDING POWER	BASELINE	R2,773.75	R1,750	3223573.44	1795.43
	YEAR 1	R5,562.5	R3,625	13704843.75	3702.01
	CHANGE	216%	171%	164%	128%

Table 13 shows us that the mean increase in income earned by the population is 755%. The mean increase in monthly savings by the population is R2736. The mean decrease in monthly debt obligation is 22%. The mean increase in spending power is 216%. Spending power is measured by the portion of income spent during the month exclusive of servicing debt.

**TABLE 13: FORMULA ELEMENTS FROM RESULTS**

FORMULA	INCOME	MONTHLY SAVINGS	SPENDING POWER
$X1 - x2$	-5006	-2736	-2789
$S1^2/n1$	2848901.367	0	402946.6797
$S2^2/n2$	4338984.375	1836964.456	1713105.469
$SQRT (B+C)$	2681.023264	1355.346618	1454.665648
<b>Z value from T TEST</b>	<b>-1.86729077</b>	<b>-2.018812339</b>	<b>-1.91710721</b>
<b>P Value for Z</b>	<b>0.03074</b>	<b>0.02169</b>	<b>0.02743</b>

(Keller, 2014)

Alpha is 0.05. Each P value found is below 0.05 therefore the Null Hypthesis is rejected which suggests the alternative hypothesis where the mean of income, monthly savings and spending power for the baseline period is different to the means at the end of the period.

#### 4.5 INTEGRATION OF QUALITATIVE AND QUANTITATIVE ANALYSIS

In order to integrate the qualitative and quantitative data, the themes and summarized statistical findings are compared. The qualitative data provided themes that were used as a base to find instruments that could measure the outcomes of the projects in a quantitative manner. The combination with quantitative data deepens the understanding of the themes present in the case studies. Here the investment in assets that can generate an ongoing income for the participants has reflected in the shift from red to amber and/or from amber to green across both periods for participants. It has been further evidenced by changes in monthly income, savings, and spending power. From the qualitative data and narrative, spending power represents both an improved quality of life as well as a change in spending patterns.

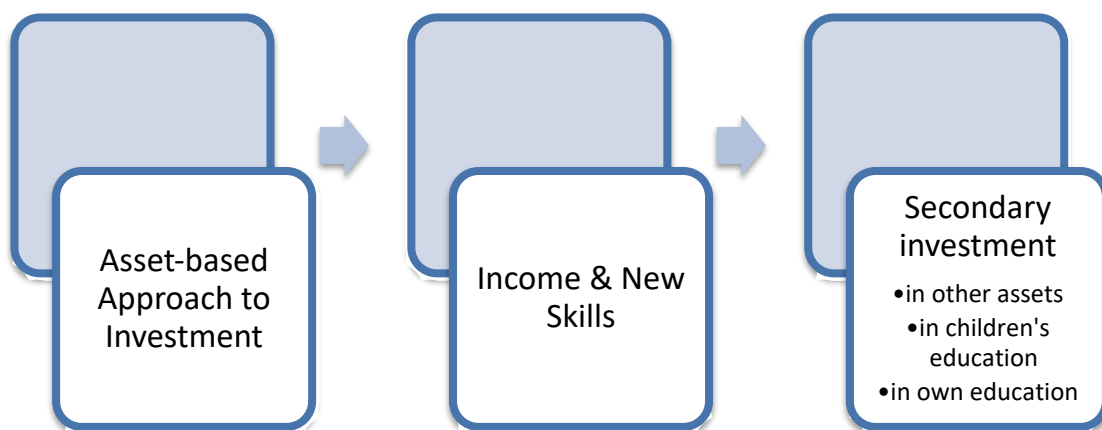
In contrast, the quantitative data can only be grasped with the narrative captured during the interviews and assessments of each family unit. The narrative provides reasons that the shifts happened as well as the hopes and dreams of each family unit should the trajectory for each remain the same. The narrative clearly explains why increases in income have resulted in the following shifts in spending power:

- 1) Increase in money spent on education for children
- 2) Increase in money spent on nutrition
- 3) Increase in money spent on investing in other assets such as vehicles or extensions to buildings.

These results prompt an extension of this research to show value of investing from an asset-based perspective resulting in secondary asset and human capital accumulation. This in turn leads to further economic inclusion of the family units not measured in this study. The start of a cycle may be created using this form of investment approach. The cycle can be visually

displayed. Without the integration of quantitative and qualitative data, it may not be possible for the researcher to begin making the connections between the initial investment phase and the long-term impact of that investment approach.

**DIAGRAM D: SECONDARY DATA OPPORTUNITY**



## CHAPTER 5: FINDINGS AND RECOMMENDATIONS

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### 5.1 INTRODUCTION

This chapter presents the findings and recommendations following the qualitative and quantitative results presented in Chapter Four.

### 5.2 SUMMARY OF STUDY

The primary purpose of this study was to test whether a certain way of investing in poverty eradication in Kwazulu-Natal led to an improved quality of life for the affected family. Thereafter, the study aimed to deduce whether a reduction in poverty resulted in an economic level of independence and resilience in that family unit. The study needed to be drastically limited and narrowed down in order to produce concrete and quality results within the time allowed, leaving a number of future research recommendations. The investment approach was presented in the form of a case study where interviews, reports and site visits yielded qualitative and quantitative data. The quality of life metric was found using the Poverty Stoplight tool over a minimum twelve-month period for each family unit. For the purpose of this study, independence and resilience was defined as the family's ability to self-organise out of poverty by using the investment to improve their ability to withstand micro and macro-economic factors which could push them further into poverty. From a quantitative perspective, an increase in income and savings, along with reduction in debt, was used to measure the family's ability to withstand economic factors. In all cases, the investment made in income-generating assets shifted the needle of poverty and enabled the participants to improve their situation, however the researcher believes changes to the projects can be made to enhance the impact much further. These projects were an adequate start, but the long term impact may not be achievable. The investments did not perpetuate a status quo. Savings and higher earnings will better enable the family to withstand and adapt to events in comparison with living in survival mode.

### 5.2 SUMMARY OF FINDINGS

Under the first research question on 'Are there common themes that make up the outcomes framework for each case studied using the asset-based investment approach?', the results of the thematic analysis identified factors such as Inputs, Activities, Outputs, Outcomes, Measurement and Impact under the asset-based investment approach for sustainable

development projects across the cases studied. The literature that these investments can be related to, is the micro-credit literature from The Grameen Bank as well as the micro-franchising study by The Poverty Stoplight Office. The case studies also made use of the Poverty Stoplight tool where the participants self-diagnosed their quality of life. The purpose of the self-diagnosis relates to the participatory and ownership reasons provided by Laura Bergh's interview in the literature review. Although all participants' quality of life improved over the studied period, some participants showed higher improvements than others. This observation leads the researcher to question whether all participants had equally strong ownership in the process of improving their quality of lives using the opportunity set before them through the investment approach. This may have resulted from the investment decisions not being made as inclusively as required in order to have equally strong co-ownership of the desired end result, or this could have resulted from each participant having lower levels of energy or belief that poverty can be escaped. This observation requires further study.

Under the second research question 'Have the investments resulted in a reduced poverty scorecard per family unit in the year that the investment was made?' The null hypothesis was rejected. Therefore, the change in Poverty Stoplight results is statistically significant. The quality of life for each participant improved over the investment period. Furthermore, it is clear that there is a significant positive relationship between the change in red indicators and the change in green indicators implying that an improvement in one dimension of poverty resulted in improvements in other dimensions of poverty and quality of life overall.

By inspection, the final research question 'Have the investments resulted in a broader benefit to South Africa as a whole?', the results show an overall positive contribution to the economy. Although lower debt payments imply lower interest earning potential by financial institutions, the participant appears to be better off by having more money available for spending. The narrative captured in the questionnaire shows that extra disposable income is used to pay for better education for the children in the family unit, better nutrition and investment in other assets that will continue creating economic opportunity for the participant. This finding supports Julius Nyerere's literature that individuals will develop themselves once they have



owned their own development path. That outside influence can only go so far before the family or community needs to take ownership of lasting impact. The findings are significantly positive over the investment period. Income increased, savings increased, monthly spending power increased, and monthly debt obligations decreased.

### 5.3 RESEARCH CONCLUSION

The approach of investing in assets and insisting on self-diagnosis of each participant's quality of life prior to each investment has proved to be effective in reducing poverty within these family units. Overall, the results show a net positive result in the quality of lives led by the participants. The results also show a broader benefit to the local economy as a result of the improved quality of life experienced by the participants over the investment period.

The focus of each project was predominantly investment in assets and technical capacity. The Poverty Stoplight tool allowed the participant to self-diagnose their quality of life. Even though each participant became aware of their quality of life, their ability to respond to that awareness and take hold of the investment opportunity to lift themselves out of various dimensions of poverty, proved to be a key limitation in this study that was not anticipated. The differing rates of progression and changes in Poverty Stoplight results clearly show that some participants took control of their circumstances and used every opportunity to boost themselves out of poverty. However, not every participant displayed the same level of motivation. This observation could form a basis for further research on the rate of change per individual.

Investing holistically with strategic partners was a key component in each case study, showing that poverty eradication is possible through collaboration and partnership. The strategic purpose behind each investment clearly created a consumer and producer relationship between investor and participant rather than the participant remaining a passive recipient of charity (Prahalad, 2009). The case studies were all pilot projects used to test this investment approach. The results confirm that adopting this way of approaching poverty eradication is effective. Further study is required on a medium-term basis (three to five years) to determine if the impact of the investments lasts beyond one year.

## 5.4 RECOMMENDATIONS OF FUTURE RESEARCH

The results retrieved were robust with a number of open-ended opportunities that could be studied further. Recommendations for future research are numerous and could add to the body of knowledge in order to continue finding ways to eradicate poverty not only in KZN but in South Africa as a whole.

1. The first study should be a comparative analysis of fair economic exchange between the investor and the participants. Some transactions may be more balanced than others and the resulting quality of life progression may be affected in these cases.
2. A study of the secondary impact once the primary investment period has been initiated would determine the long-term impact as well as determine if the journey out of poverty is self-perpetuating once a catalyst has ignited economic inclusion, i.e.: in the majority of cases, the narrative and quantitative data showed that an increase in earnings resulted in investment in further income-generating assets as well as education for self and for the children in the family unit. These are secondary impacts that can be measured. This study would be a medium-to-long-term study of the current participants.
3. A study that compares the effectiveness of poverty eradication between traditional charitable giving models and the asset-based investment approach would add a third dimension to this study. This study was only able to determine whether one investment approach had the desired outcome. The studies were not compared to others.
4. A study on how much of an effect poverty has had on each individual's occupational intelligence. Occupational intelligence is a person's ability to respond to challenges. A high occupational intelligence level shows that a person is able to respond to a challenge or an opportunity with a high level of energy and use the opportunity to their advantage. Occupational intelligence is determined by neural pathways formed throughout life (Schultz, 2014). People with lower levels of occupational intelligence are unable to respond as effectively as others (Schultz, 2014). From the time of birth

and right through life, neural pathways are formed which determine how a human makes decisions. These neural pathways, called hardwires, will be formed in a certain way dependent on the circumstance in which each person finds themselves. However, the circumstances do not define who the person is. Neural pathways can grow and form. A person's ability to change their circumstances depends on their occupational intelligence and volition (Schultz, 2014). Vivienne Schultz, creator of the A2B Transformation Movements, says that a change in hardwires can also be written into a person's genes and passed down to the next generation. In other words, if a human allows their circumstance to define who they are, future generations may be trapped in poverty merely because of their primary hardwires that are genetically passed down.

5. A study to define the return on investment in the form of economic and social impact and how to accurately measure the impact. Developing this tool would be useful to all investors who choose this approach.

The studies above have been suggested to further the knowledge required to catapult ideas into practical solutions effective in eradicating poverty forever. Civil society, business, government departments and academics could pool resources and use each other's combined knowledge to create a prospering economy and a country where people are happy and leading purposeful lives.

I would recommend some key policy amendments, in particular with reference to the B-BBEE legislation which is the main piece of legislation that unlocks private sector funds for development. A policy that provides guidance on asset-based investment is needed, especially by the private sector that do not have the in-house skills to implement sustainable development. I believe a policy that provides benchmarks against which the private sector can measure their investment would be well received by individuals who truly want to see their investment funds used for lasting change. I also recommend a policy that guides how B-BBEE is audited within the private sector should align to sustainable development rather than simply meeting the targets, which can be met using a number of shortcuts.

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## APPENDICES

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### APPENDIX A – PICTURE: GRADE R CLASSROOM AT PROJECT BRIGHT – 2018 (SUPPLIED BY BELGOTEX)



### APPENDIX B – PICTURE: CONVERTED WASTE DISPLAYED IN PILOT MINIVENDOR SHOP (SUPPLIED BY BELGOTEX)





**APPENDIX C – PICTURE – SKILLS IN THE TRADE SECTOR (SUPPLIED BY BELGOTEX)**



**APPENDIX D – PICTURE – FOOD SECURITY (SUPPLIED BY BELGOTEX)**



## APPENDIX E – POVERTY STOPLIGHT INDICATORS

### Poverty Stoplight - Six dimensions of poverty and 50 indicators

#### Income and Employment

1. Income/earnings above the poverty line
2. Stable employment and income sources
3. Access to credit facilities
4. Family savings
5. Personal identification

#### Health and Environment

6. Access to drinking water
7. Access to quality health care centre
8. Nutrition
9. Personal hygiene
10. Physical health
11. Vaccinations
12. Sexual health and family planning
13. Parenting
14. Garbage disposal
15. Unpolluted environment
16. Alcohol and drugs

#### Housing and Infrastructure

17. Legal property rights
18. Home structure
19. Sanitation and sewerage
20. Electricity
21. Refrigerator and household appliances
22. Separate bedrooms
23. Stove and kitchen
24. Basic household standards
25. Regular means of transportation
26. Distance and time to work
27. Security
28. Clothing

#### Education and Culture

29. Literacy in English – knows how to read and write
30. Children enrolled in school until grade 12
31. Access to quality education
32. School transportation, supplies, uniforms and books
33. Knowledge and skills to generate income
34. Capacity to budget and plan
35. Social networks and participation in self-help or support groups
36. Access to information and means to communicate (radio, TV, cellphone, telephone, internet)
37. Entertainment and recreation
38. Cultural traditions and heritage
39. Respect for other cultures
40. Awareness of human rights (women, children, disabled, elderly)

#### Organization and Participation

41. Influence on the public sector
42. Ability to solve problems and conflicts
43. Registered to vote and votes in elections

#### Self-Awareness and Motivation

44. Awareness of needs: life map and personal goals
45. Self-confidence and self-esteem
46. Moral values and conscience
47. Awareness of her own and other people's emotions
48. Appreciation of art and beauty
49. Violence against vulnerable people
50. Entrepreneurial spirit and motivation



poverty stoplight

## APPENDIX F – POVERTY STOPLIGHT ANSWER SHEET ADAPTED TO BELGOTEX

### BRANDING

**B.**

### The Better Together Survey.

English

Family Name: \_\_\_\_\_

Date: \_\_\_\_\_

1.

We have enough income.

2.

We have various incomes.

3.

We can access credit.

4.

We have savings.

5.

We have ID documents.

6.

We have drinking water.

7.

A health care centre is nearby.

8.

We have good nutrition.

9.

We have good hygiene.

10.

We get treated for illness.

11.

We are vaccinated.

12.

We manage our sexual health.

13.

We are active parents.

14.

We manage our garbage responsibly.

15.

We live in an unpolluted environment.

16.

We do not abuse alcohol or drugs.

17.

We have legal property rights.

18.

We have a safe home structure.

19.

We have a modern toilet.

20.

We have constant electricity.

21.

We have a fridge and other appliances.

22.

There are separate bedrooms.

23.

We have a stove and kitchen area.

24.

We have enough furniture and crockery.

25.

We have good, regular transportation.

26.

Distance and time to work is reasonable.

27.

We live in a safe neighbourhood.

28.

We have enough clothing.

29.

We know how to read and write in English.

30.

Our children go to school.

31.

Our children are getting quality education.

32.

Our children have supplies and transport for school.

33.

We know how to earn money.

34.

We have a budget.

35.

We have social networks and friends.

36.

We have phones and access to information.

37.

We relax and enjoy entertainment.

38.

We value our culture with consideration.

39.

We respect differences in other people.

40.

We respect human rights.

41.

We have influence & know how to petition.

42.

We solve our own problems.

43.

We vote in elections.

44.

We have goals and a family plan.

45.

We are confident and trust in ourselves.

46.

We are law-abiding and consider others.

47.

We control our emotions and respect.

48.

We like our appearance & appreciate beauty.

49.

We don't have violence in our family.

50.

We have entrepreneurial spirit, not afraid to try again.



## APPENDIX G – POVERTY STOPLIGHT RESULTS FROM SAMPLE PARTICIPANT

Results from one participant. All results were collected in this format before data coding and summarizing.

### Poverty Stoplight Results with Images

Name of Client:

Identity number:

Office:

Belgotex

Not Poor  
Poor  
Very

41 28  
6 13  
3 9

Upload Date	Survey	Dimension	Indicator	2019	2017
30/10/2017 10/02/2019	Poverty Stoplight - SA	1. Income and Employment	01. Income/earnings above the poverty line		
			02. Stable employment and income sources		
			03. Access to credit facilities		
			04. Family savings		
			05. Personal identification		
		2. Health and environment	06. Access to drinking water		
			07. Access to quality health care centre		
			08. Nutrition		
			09. Personal hygiene		
			10. Physical health		
			11. Vaccinations		
			12. Sexual health and family planning		
			13. Parenting		
			14. Garbage disposal		
			15. Unpolluted environment		
			16. Alcohol and drugs		
		3. Housing and infrastructure	17. Legal property rights		
			18. Home structure		
			19. Sanitation and sewerage		
			20. Electricity		
			21. Refrigerator and household appliances		
			22. Separate bedrooms		
			23. Stove and kitchen		
			24. Basic household standards		
			25. Regular means of transport		
			26. Distance and time to work		
			27. Security		
			28. Clothing		
		4. Education and culture	29. Literacy in English		
			30. Children enrolled in school until grade 12		
			31. Access to quality education		
			32. School transportation/supplies/uniforms/books		
			33. Knowledge and skills to generate income		
			34. Capacity to budget and plan		
			35. Social networks		
			36. Access to information and means to communicate		
			37. Entertainment and recreation		
			38. Cultural traditions and heritage		
			39. Respect for other cultures		
			40. Awareness of human rights		
		5. Organization and participation	41. Influence on the public sector		
			42. Ability to solve problems and conflicts		
			43. Registered to vote and votes in elections		
		6. Self-awareness and motivation	44. Awareness of needs: life map & personal goals		
			45. Self-confidence and self-esteem		
			46. Moral values and conscience		
			47. Awareness of own and other people's emotions		
			48. Appreciation of nature and beauty		
			49. Violence against vulnerable people		
			50. Entrepreneurial spirit and motivation		






**2017:** The participant is unemployed and her husband is unemployed. She sells second hand clothes but it is too little to cover her family's expenses. She is about to start her own business in selling clothes and a spaza shop - she now has the place and is waiting for a container.

**2019:** The participant said things are going well as she now has a container. She does get some income. Even though it is not busy she gets something. She is happy as they do not have debts now as they went to her daughter's school and requested for school fee exemption. She joined food security, she now has her own garden that assists towards groceries. They now eat healthy. Her plan is to advertise her carpets so she can get more buyers. She wants to buy a car.

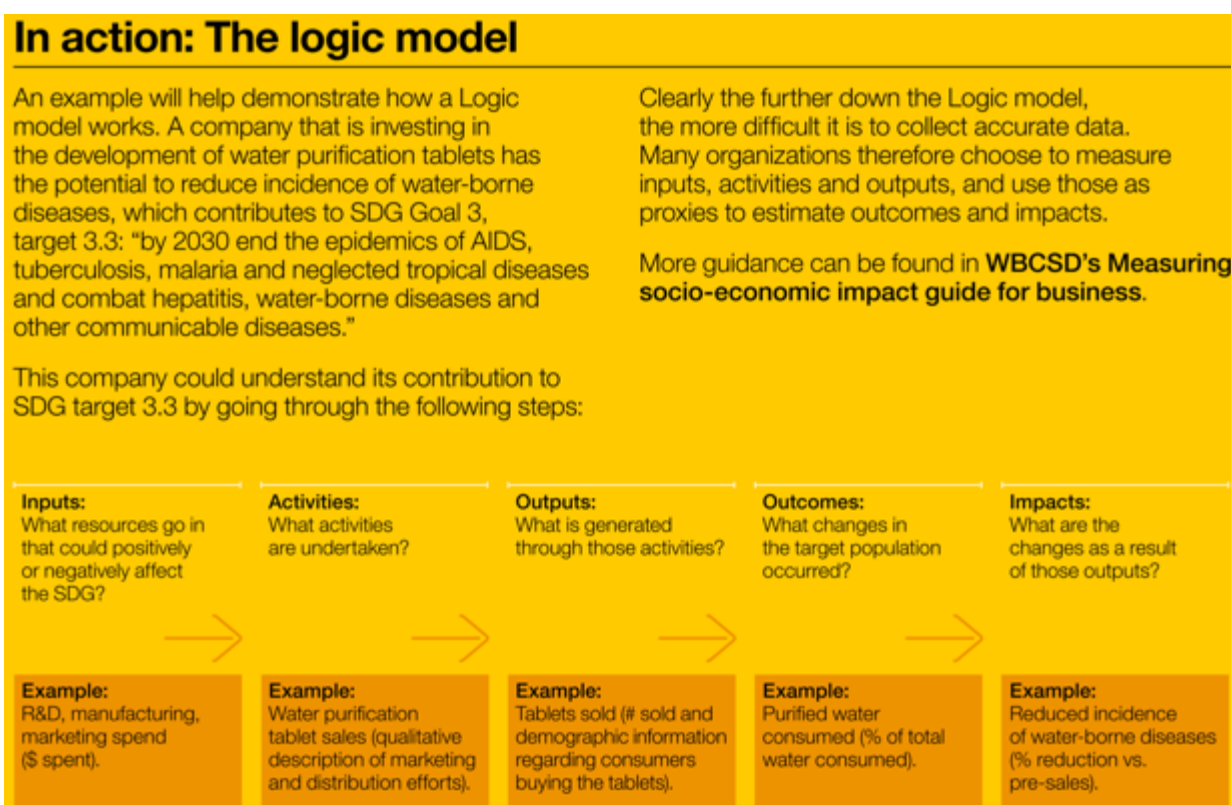
## APPENDIX H – VISUAL REPRESENTATION OF POVERTY STOPLIGHT ANSWERS

Example of three visual representations of red, amber and green options. Each indicator has a visual representation that the participant must choose that most resembles their current circumstance (Poverty Stoplight, 2016)

Indicator 1. Access to drinking water		Area: Health and Environment
Level 3: The home has constant access to drinking water within the house or in the yard. The home has a tap with running water that is clean and drinkable.	Level 2: The home has access to drinking water, but: (a) it is not reliable for part of the day, or (b) it is not always clean, or (c) the source of water is within 100 meters of the home and has to be shared.	Level 1: The water the family drinks is not safe, clean water or they have to walk more than 100 meters from their home to fetch it.
		

## APPENDIX I – EXAMPLE OUTCOMES FRAMEWORK

Example Outcomes Framework (The United Nations, 2015b)



## APPENDIX J – PARTICIPANT CONSENT FORM

### Participant Consent Form



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CONSENT FORM FOR PARTICIPANTS IN DATA COLLECTION FOR DISSERTATION:

***AN ALTERNATIVE PRIVATE SECTOR INVESTMENT APPROACH TO ACHIEVE INDEPENDENCE AND RESILIENCE IN KWAZULU NATAL***

Principal Researcher: BRONWEN BAINBRIDGE

Participant:

1. This research has been approved by the Commerce Faculty Ethics in Research Committee. Your participation in this research is voluntary.
2. You can choose to withdraw from the research at any time.
3. The interview will take no more than one hour to complete.
4. Due to the nature of the study you will need to provide the researchers with some form of identifiable information however, all responses will be confidential and used for the purposes of this research only. Generic terms to describe your circumstances or function that you hold in the research will be used.
5. Please confirm whether the researcher can use, only, your first name when writing the dissertation?

YES	NO
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Should you have any questions regarding the research please feel free to contact the researcher (Bronwen Bainbridge, [bronwenbainbridge@gmail.com](mailto:bronwenbainbridge@gmail.com), 0746069203).

Full name and signature

Date

Principal Researcher/Student: \_\_\_\_\_

Participant: \_\_\_\_\_

## APPENDIX K – PARTICIPANT QUESTIONNAIRE

### Participant Questionnaire



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#### DATA COLLECTION FOR DISSERTATION:

**AN ALTERNATIVE PRIVATE SECTOR INVESTMENT APPROACH TO ACHIEVE ECONOMIC INDEPENDENCE AND RESILIENCE  
 IN KWAZULU NATAL**

PARTICIPANT NAME:

PRINCIPAL RESEARCHER:

INTERVIEWER:

Poverty Stoplight Baseline Complete?	YES	NO	ATTACHED	
Poverty Stoplight ONE YEAR Complete?	YES	NO	ATTACHED	

#### SECTION 1: MONTHLY FAMILY BUDGET

##### BASELINE

##### YEAR ONE

##### MONEY IN

SALARY/WAGES

OTHER\*\* please describe


SPECIAL COMMENTS:

##### MONEY OUT \*\*PURCHASING POWER

SCHOOL FEES

RENT

ELECTRICITY/WATER

FOOD

DEBT REPAYMENTS

TRANSPORT

OTHER

1)

2)

3)


SPECIAL COMMENTS:

#### SECTION 2: ASSETS/LIABILITIES

##### BASELINE

##### YEAR ONE

##### ASSETS AND PRODUCTIVE RESOURCES



FIXED ASSETS THAT THE FAMILY HAS	<b>**FINANCIAL AND PHYSICAL ASSETS</b>	
1) SAVINGS		
2)		
3)		
4)		
5)		
6)		
PRODUCTIVE RESOURCES AVAILABLE TO THE FAMILY	<b>**NATURAL AND PHYSICAL ASSETS (COMMUNITY)</b>	
1) LAND		
2) WATER		
3) WASTE		
4)		
5)		

SPECIAL COMMENTS:

LIABILITIES	BASELINE	YEAR ONE
1)		
2)		
3)		

SPECIAL COMMENTS:

### SECTION 3: BANKS AND CREDIT

Average number of days that your bank balance is positive?

If >0 , approximately how much remains in your bank account for this time?

BASELINE	YEAR ONE

### SECTION 4: HUMAN CAPITAL

PRACTICAL SKILLS: NO. OF FAMILY MEMBERS/ NEIGHBOURS

		BASELINE	YEAR ONE
1)	TRADES SECTOR		
2)	TEXTILES		
3)	FARMING		
4)	BAKING/COOKING		
5)			

INTELLECTUAL SKILLS: NO. OF FAMILY MEMBERS/ NEIGHBOURS

1)	DIPLOMA/DEGREE		
2)	MATRIC		
3)	EXPERIENTIAL		
4)			
5)			

**SECTION 5: DEPENDENTS**

How many dependents do you have?

Adults	Youth	Children

Do you have any dependents who require assistance due to disability or critical illness?

If yes, please describe the nature of the impairment as well as additional requirements and monthly costs associated to care for this peson?

What government support do you receive to take care of this dependant?

Please describe any changes in circumstances for the famiily and this dependant between Baseline and Year 1? (mobillty device, attending school, engagement at school etc. )

	BASELINE	YEAR 1
Name of school that the children attend?		

ANY OTHER COMMENTS:

	NAME	DATE	SIGNATURE
PARTICIPANT:			
PRINCIPAL RESEARCHER:			
INTERVIEWER:			